JC10 Rec'd PCT/PTO 22 MAR 2002

TRANSMITTAL LETTER TO THE UNITED STATES DESIGNATED/ELECTED OFFICE (DO/EO/US) CONCERNING A FILING UNDER 35 U.S.C. 371	ATTORNEY'S DOCKET NUMBER 18920.0032 U.S. APPLICATION NO. (If known, see 37 CFR 1.5) 10/088742

INTERNATIONAL APPLICATION NO.	INTERNATIONAL FILING DATE	PRIORITY DATE CLAIMED
PCT/JP00/05405	11 August 2000	24 July 2000

TITLE OF INVENTION FINANCIAL TRANSACTION SYSTEM

APPLICANT(S) FOR DO/EO/US Masanobu NISHIMAKI

Applicant herewith submits to the United States Designated/Elected Office (DO/EO/US) the following items and other information:

1. X This is a **FIRST** submission of items concerning a filing under 35 U.S.C. 371
2. ☐ This is a **SECOND** or **SUBSEQUENT** submission of items concerning a filing under 35 U.S.C. § 371.
3. X This express request to begin national examination procedures (35 U.S.C. 371(f)) at any time rather than delay examination until the expiration of the applicable time limit set in 35 U.S.C. 371(b) and PCT Articles 22 and 39(1).
4. ☐ A proper Demand for International Preliminary Examination was made by the 19th month from the earliest claimed priority date.
5. X A copy of the International Application as filed (35 U.S.C. 371(c)(2))
   - a. X is transmitted herewith (required only if not transmitted by the International Bureau).
   - b. ☐ has been transmitted by the International Bureau.
   - c. ☐ is not required, as the application was filed in the United States Receiving Office (RO/US).
6. ☐ A translation of the International Application into English (35 U.S.C. 371(c)(2)).
7. ☐ Amendments to the claims of the International Application under PCT Article 19 (35 U.S.C. 371(c)(3))
   - a. ☐ are transmitted herewith (required only if not transmitted by the International Bureau).
   - b. ☐ have been transmitted by the International Bureau.
   - c. ☐ have not been made; however, the time limit for making such amendments has NOT expired.
   - d. ☐ have not been made and will not be made.
8. ☐ A translation of the amendments to the claims under PCT Article 19 (35 U.S.C. 371(c)(3).
9. X An oath or declaration of the inventor(s) (35 U.S.C. 371(c)(4)).
10. ☐ A translation of the Annexes to the International Preliminary Examination Report under PCT Article 36 (35 U.S.C. 371(c)(5)).

Items 11. to 16. below concern other document(s) or information included:

11. ☐ An Information Disclosure Statement under 37 CFR 1.97 and 1.98.
12. X An assignment document for recording. A separate cover sheet in compliance with 37 CFR 3.28 and 3.31 is included.
13. ☐ A FIRST preliminary amendment.
    ☐ A SECOND or SUBSEQUENT preliminary amendment.
14. ☐ A substitute specification.
15. ☐ A change of power of attorney and/or address letter
16. ☐ Other items or information:

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U.S. APPLICATION NO. (If known, see 37 CFR 1.5) 10/088742	INTERNATIONAL APPLICATION NO. PCT/JP00/05405	ATTORNEY'S DOCKET NUMBER 18929.0032

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X The following fees are submitted:

Basic National Fee (37 CFR 1.492(a)(1)-(5)):

Search Report has been prepared by the EPO or JPO..**$860.00**

International preliminary examination fee paid to USPTO (37 CFR 1.482) **$690.00**

No international preliminary examination fee paid to USPTO (37 CFR 1.482) but international search fee paid to USPTO (37 CFR 1.445(a)(2))..**$760.00**

Neither international preliminary examination fee (37 CFR 1.482) nor international search fee (37 CFR 1.445(a)(2)) paid to USPTO...**$1,000.00**

International preliminary examination fee paid to USPTO (37 CFR 1.482) and all claims satisfied provisions of PCT Article 33(2)-(4)..**$100.00**

				CALCULATIONS	PTO USE ONLY
ENTER APPROPRIATE BASIC FEE AMOUNT =				$1,040.00	
Surcharge of **$130.00** for furnishing the oath or declaration later than ☐ 20 ☐ 30 months from the earliest claimed priority date (37 CFR 1.492(e)).				$	
Claims	Number Filed	Number	Rate		
Total Claims	19- 20 =	0	X **$18.00**	$	
Independent Claims	19- 3 =	16	X **$84.00**	**$1,344.00**	
Multiple dependent claim(s)(if applicable)			+ **$270.00**	$	
TOTAL OF ABOVE CALCULATIONS =				**$2,384.00**	
Reduction by 1/2 for filing by small entity, if applicable.				$	
SUBTOTAL =				**$2,384.00**	
Processing fee of **$130.00** for furnishing the English translation later than ☐ 20 ☐ 30 months from the earliest claimed priority date (37 CFR 1.492(e)).				$	
TOTAL NATIONAL FEE =				**$2,384.00**	
Fee for recording the enclosed assignment (37 CFR 1.21(h)). The assignment must be accompanied by an appropriate cover sheet (37 CFR 3.28, 3.31). **$40.00** per property +				**$40.00**	
TOTAL FEES ENCLOSED =				**$2,424.00**	
				Amount to be: refunded	$
				charged	$

a. ☐ A check in the amount of $___ to cover the above fees is enclosed.

b. X Please charge my Deposit Account No. 19-5127 in the amount of $_2,424.00__________ to cover the above fees. A duplicate copy of this sheet is enclosed.

c. X The Director is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Deposit Account No. 19-5127. A duplicate copy of this sheet is enclosed.

NOTE: Where an appropriate time limit under 37 CFR 1.494 or 1.495 has not been met, a petition to revive (37 CFR 1.137(a) or (b) must be filed and granted to restore the application to pending status

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10088742.032202

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Specification

Financial Transaction System

FIELD OF THE INVENTION

The present invention relates to a financial transaction system to create virtual markets of financial instruments via communications lines on computer networks and to match buying demands and selling demands of end customers.

BACKGROUND ART

In conventional financial transactions, intermediaries such as banks and/or securities companies have existed between end customers being buyers and end customers being sellers. Thus, the end customers who perform transactions through these intermediaries have experienced decreased yields on investment and/or increased funding costs by the amounts of brokerage and/or intermediation fees paid to the intermediaries.

Moreover, the banks and/or the securities companies, in addition to the brokerage and/or intermediation business, conduct proprietary transaction business. Structures of conflicts of interests between the end customers and the banks or the securities companies, in which the banks and/or the securities companies, in order to gain larger transaction profits by the use of proprietary funds, either cause the end customers to transact with themselves as counterparties under disadvantageous conditions and/or complete transactions by the use of proprietary funds on a front-running basis on the assumption that the end customers would read the fund transaction reference and/or proposal data provided by them and then would conduct transactions, or provide the reference and/or proposal data with the aim that the end customers would increase their frequency of transactions in financial instruments, have been conventionally recognized.

However, knowledge and information on financial transactions accumulated

by the intermediaries cannot be assimilated by the end customers in one day. Thus, a mechanism, that provides knowledge and information held by the intermediaries for the end customers whilst solving the conflicts of interests between the intermediaries and the end customers, is required.

On the other hand, securities exchanges and financial derivatives exchanges tend to trade only popular names and/or popular products as objects of their transactions, therefore the trading of bonds with low liquidity and/or the transactions of complicated financial derivative products are centered on over-the-counter transactions with banks and/or securities companies as counterparties. Also, since the trading of instruments that are not transacted through exchanges is increasing even in liquid equities and the like, and thus the percentage of invisible over-the-counter transactions are increasing, the transparency of the markets important to end customers is being compromised. Existing securities exchanges and financial derivatives exchanges basically employ a mechanism in which end customers cannot participate in transactions unless they transact through banks or securities companies within their membership, and thus the end customers are once again being disadvantaged.

Various settlements and/or administrations arising from the formation of a transaction such as contract confirmation, settlement or delivery, risk management or profit and loss management, and/or the like, through their historical circumstances, use different systems according to the type of financial instrument or the specific trading market, and thus it is hard to unite the systems. Also, since a high percentage of settlements and/or administrations are still processed manually, the systems are not appropriate for end customers who wish to transact various kinds of financial instruments. This is a result of the fact that banks, securities companies, exchanges, clearing houses, software houses, information vendors and/or the like have arbitrarily developed and provided each system for their own respective intentions.

Accordingly, it is an object of the present invention to create virtual markets of financial instruments using Internet web sites, and/or computers connected to dedicated or public lines, and provide a financial transaction

system that matches buying demands and selling demands of end customers in order to solve the above problems.

It is a further object of the present invention, by separating and allocating the functions of banks and/or securities companies as intermediaries in financial transactions to web sites, various agencies, various evaluators and/or various data providers, to provide a financial transaction system that can eliminate conflicts of interests between such intermediaries and end customers and make various financial transactions more efficient and/or optimal.

It is yet another object of the present invention to provide a financial transaction system that offers opportunities for full-scale participation in such financial transactions as lending, loan asset trading, financial derivative transactions and/or the like that have been unfamiliar to end customers.

DESCRIPTION OF THE INVENTION

The present invention is a financial transaction system in which virtual markets of financial instruments are created via communications lines on computer networks; financial transaction intermediations by banks, securities companies and/or the like are eliminated; and end customers such as end fund managers, end fund raisers, and/or end fund transactors can effect the transactions directly with one another on a matching basis.

Also, the present invention is a financial transaction system in which said financial instruments can be transacted domestically and/or abroad 24 hours a day beyond the confines of national borders and/or session hours.

Moreover, the present invention is a financial transaction system in which the settlement and/or administration functions after formation of a transaction, such as contract confirmation, preparation or assignment of a contract, settlement or delivery, custody of securities, provision of tools for risk management or profit and loss management, inspection of legal compliance, preservation and recovery of credits, and/or the like, are

concentrated.

Furthermore, the present invention is a financial transaction system in which fund management agencies not having a conflict of interests with said end fund managers are provided as advisors, and when the fund management agencies are entrusted with transactions by the end fund managers, they perform fund management on behalf of the end fund managers.

Also, the present invention is a financial transaction system in which fund raising agencies not having a conflict of interests with said end fund raisers are provided as advisors, and when the fund raising agencies are entrusted with transactions by the end fund raisers, they perform fund raising on behalf of the end fund raisers.

Moreover, the present invention is a financial transaction system in which secondary offering agencies not having a conflict of interests with selling holders are provided as advisors, and when the secondary offering agencies are entrusted with transactions by the selling holders, they perform secondary offerings on behalf of the selling holders.

Furthermore, the present invention is a financial transaction system in which fund transaction agencies not having a conflict of interests with said end fund transactors are provided as advisors, and when the fund transaction agencies are entrusted with transactions by the end fund transactors, they perform fund transactions on behalf of the end fund transactors.

Also, the present invention is a financial transaction system in which information providing functions of said banks, said securities companies and/or the like are instead performed by providers of fund management reference data, providers of fund raising proposal data and/or providers of fund transaction proposal data respectively, who do not have a conflict of interests with end fund managers, end fund raisers and/or end fund transactors.

Moreover, the present invention is a financial transaction system in which fund management evaluators are provided for said end fund managers for the purposes of selection or evaluation of fund management agencies, evaluation of fund management, and/or the like.

Furthermore, the present invention is a financial transaction system in which fund raising evaluators are provided for said end fund raisers for the purposes of selection or evaluation of fund raising agencies, evaluation of fund raising, and/or the like.

Also, the present invention is a financial transaction system in which fund transaction evaluators are provided for said end fund transactors for the purposes of selection or evaluation of fund transaction agencies, evaluation of fund transactions, and/or the like.

Moreover, the present invention is a financial transaction system in which after said end fund managers have indicated the terms and conditions of their fund management to the markets, said end fund raisers can perform fund raising targeting the fund management.

Furthermore, the present invention is a financial transaction system in which loans that have hitherto lacked market transparency due primarily to their being over-the-counter transactions, and/or trading of loan assets that are securitized instruments thereof can be executed by means of matching mechanisms.

Also, the present invention is a financial transaction system in which transactions of foreign exchange products and/or financial derivative products that have been hitherto little exploited by individuals, can be executed by means of the provision of said fund transaction agencies and/or said fund transaction evaluators, and/or by means of matching mechanisms.

Moreover, the present invention is a financial transaction system in which liquidity for transactions of said financial derivative products can be provided by a site operator and/or the like performing, as appropriate, a process of bundling standardized products to create a tailor-made product

and/or a process of unbundling a tailor-made product to restore the standardized products.

Furthermore, the present invention is a financial transaction system in which a plurality of said end fund managers and/or a plurality of said fund management agencies can perform simultaneous collective fund management.

Also, the present invention is a financial transaction system in which a plurality of said end fund raisers and/or a plurality of said fund raising agencies can perform simultaneous collective fund raising.

Moreover, the present invention is a financial transaction system in which a plurality of said selling holders and/or a plurality of said secondary offering agencies can perform simultaneous collective secondary offerings of a plurality of issues.

Furthermore, the present invention is a financial transaction system in which a plurality of said end fund transactors and/or a plurality of said fund transaction agencies can perform simultaneous collective fund transactions in said foreign exchange products, said financial derivative products and/or the like.

Since the intermediation of financial transactions by banks is eliminated thereby, an increase of yields on investment and/or a decrease of funding costs can be realized. That is, in a conventional structure in which end fund managers supply funds to banks through deposits, savings, purchase of bank debentures, and/or the like and then the banks supply the funds to end fund raisers through lending the funds to the end fund raisers, purchasing securities issued by the end fund raisers, and/or the like, because the banks take their margins during the flow of the funds, the end fund managers suffer a decrease of yields on investment and/or the end fund raisers suffer an increase of funding costs. In the invention, since funds are supplied from end fund managers to end fund raisers, the margins of any intermediating banks are eliminated and thus the end fund managers can enjoy higher yields on investment and/or the end fund raisers can attain lower funding

costs.

As used in the invention, the term ‘end fund manager’ shall mean any domestic or foreign individual or corporation, except banks or securities companies, that manages funds through deposits or savings, trading of equities or bonds, transactions of foreign exchange products or financial derivative products, and/or the like. The term ‘end fund raiser’ shall mean any domestic or foreign individual or corporation, except banks or securities companies, that raises funds through borrowings, issuance of bonds, equities or commercial papers, transactions of foreign exchange products or financial derivative products, and/or the like. Also, the end fund manager as above and the end fund raiser as above shall collectively be encompassed by the term ‘end fund transactor.’

As used in the invention, the term ‘bank’ shall mean any financial institution that collects funds from fund managers through deposits or savings, borrowings, issuance of equities or bonds, liquidization or securitization of assets, savings-type of insurance or mutual aid, and/or the like and then earns a profit margin through lending to fund raisers, proprietary trading of various financial instruments and/or the like. The term shall also mean any financial institution that, on its own or through its subsidiaries and the like, earns various fees or commissions through underwriting securities such as equities, bonds or commercial papers issued by fund raisers and then selling them to fund managers, and/or through intermediating between fund managers in securities trading, between fund transactors in foreign exchange transactions or financial derivative transactions, or the like.

Also, as used in the invention, the term ‘securities company’ shall mean any financial institution that earns various fees or commissions through underwriting securities such as equities, bonds or commercial papers issued by fund raisers and then selling them to fund managers, and/or through intermediating between fund managers in securities trading, between fund transactors in foreign exchange transactions or financial derivative transactions, or the like, and/or that earns trading profits through proprietary trading of various financial instruments, or through the like.

The term shall also mean any financial institution that, on its own or through its subsidiaries and the like, collects funds from fund managers through borrowings, issuance of equities or bonds, liquidization or securitization of assets, and/or the like and then earns a profit margin through lending to fund raisers or through the like.

Also, an increase of yields on investment and/or a decrease of funding costs can be realized thereby even when interest rates have changed. That is, in a situation in which interest rates have risen, interest rates on deposits, savings and/or bank debentures do not increase to the same degree as those of loans provided for end fund raisers by banks that wish to enlarge their margins, and thus disadvantage end fund managers. On the other hand, in a situation in which interest rates have fallen, interest rates on borrowings do not decrease to the same degree as those of deposits, savings, and/or bank debentures tapped by banks that wish to enlarge their margins, and thus disadvantage end fund raisers. In the invention, since funds are supplied from end fund managers to end fund raisers, the end fund managers can enjoy higher yields on investment in the situation in which interest rates have risen, and/or the end fund raisers can attain lower funding costs in the situation in which interest rates have fallen.

Moreover, mechanisms for deciding interest rates can be corrected thereby. That is, although interest rates of deposits and/or savings should be differentiated according to the degree of credit risks in individual banks that keep the funds, there have conventionally been negligible differences due to high peer pressure among the banks, and thus end fund managers have also had to endure low interest rates that do not correspond to the credit risks in particular banks. On the other hand, although loan interest rates that banks apply to end fund raisers are determined in principle by adding some percent to funding rates of the banks themselves, there have conventionally been negligible differences due to uniform methods of setting interest rates on the basis of prime rates and/or the like and high peer pressure among the banks, and thus end fund raisers have had to endure high interest rates that do not correspond to their own creditworthiness. In the invention, since funds are supplied from end fund managers to end fund raisers, interest rates corresponding to the creditworthiness of the end fund raisers are

determined based on a balance between supply and demand in the markets, and thus the end fund managers and the end fund raisers can enjoy interest rate levels which both parties can accept.

Furthermore, end fund managers are released from dual credit risks thereby. That is, in a conventional structure in which end fund managers supply funds to banks through deposits, savings, purchase of bank debentures and/or the like and then the banks supply the funds to end fund raisers through lending the funds to the end fund raisers, purchasing bonds, commercial papers or the like issued by the end fund raisers, and/or the like, the end fund managers are exposed to dual credit risks. One is a credit risk in the banks for which the end fund managers directly supply the funds, and the other is a credit risk in the end fund raisers for which the end fund managers indirectly supply the funds through the banks. In Japan, in accordance with the amendment to the deposit insurance system that will take effect as from April 2001, the maximum insurance payment by the government will be limited to a principal amount of 10 million yen per person and thus the credit risks in banks for which end fund managers directly supply funds will be increased. In the invention, since funds are supplied from end fund managers to end fund raisers, the end fund managers are released from the credit risks in intermediating banks.

Also, the conflict of interests can be solved thereby. That is, securities companies and banks conduct both brokerage business for end fund managers (with the object of gaining brokerage fees) and proprietary trading business by use of proprietary funds (with the object of gaining trading profits). Therefore, a conflict of interests structure in which a securities company and/or a bank, in order to gain a large trading profit by use of proprietary funds, causes an end fund manager to trade with it as its counterparty under disadvantageous conditions, and/or completes trading by use of proprietary funds on a front-running basis on the assumption that an end fund manager would read fund management reference data provided by it and then would conduct trading, has been conventionally recognized. In the invention, since an end fund manager trades financial instruments not through a securities company or a bank but with other end fund managers, the end fund manager is freed from this conflict of interests and thus can

enjoy higher yields on investment.

As used in the invention, the term 'fund management reference data' shall mean any of the following data:

(a) Economic or financial news, corporate news, political news, and/or the like that affects fund management.

(b) Materials on proposals, evaluation and/or the like of fund allocation; including materials on the use of financial derivative products.

(c) Schedules, rumors, reputation and/or the like on the fund management of other fund managers.

(d) Schedules, rumors, reputation and/or the like on the fund raising of fund raisers.

(e) Materials on economy or finance as a whole: macroeconomic analyses or forecasts, analyses or forecasts of economic indicators or financial indicators, and/or the like.

(f) Materials on equity markets: quantified or codified projected performance of equity prices such as stock ratings, and news relating thereto; analyses or forecasts on equity markets as a whole, analyses or forecasts on individual industries, analyses or forecasts on individual companies, analyses or forecasts on equity indices or individual equity prices, information on share holdings, and/or the like; including materials on financial derivative markets.

(g) Materials on interest rate and/or foreign exchange markets: quantified or codified debt service capacities of fund raisers such as credit ratings, and news relating thereto; analyses or forecasts on interest rate and/or foreign exchange markets as a whole, analyses or forecasts on reference interest rates or bond indices, analyses or forecasts on credit risks associated with individual industries or individual companies, and analyses or forecasts on individual currencies, and/or the like; including materials on financial derivative markets.

(h) Technical analyses and/or the like on equity markets, interest rate and/or foreign exchange markets, and financial derivative markets.

(i) Various materials available for public inspection in reading rooms of authorities, or the like.

(j) Market levels such as contractual, indicative or theoretical prices of various financial instruments, fixed or provisional terms of fund raising or

secondary offering arrangements, and transaction volumes thereof.

Moreover, the term 'provider of fund management reference data' shall mean any domestic or foreign individual or corporation that provides, whether directly or indirectly, data for decision-making on fund management to end fund managers and/or fund management agencies, and shall include:

① Independent institutions producing research materials such as advisors and research companies.

② Credit research institutions such as credit rating agencies and credit bureaus.

③ Information providers such as information vendors, specialty information vendors, database companies, the mass media, and the like.

④ Fund raisers.

⑤ Authorities.

⑥ The site operator.

Also, regarding transactions of foreign exchange products and/or financial derivative products, banks and securities companies conduct both brokerage and/or intermediation business for end fund transactors (with the object of gaining brokerage and/or intermediation fees) and proprietary transaction business by use of proprietary funds (with the object of gaining transaction profits). Therefore, a conflict of interests structure in which a bank and/or a securities company, in order to gain a large transaction profit by use of proprietary funds, causes an end fund transactor to transact with it as its counterparty under disadvantageous conditions, and/or completes a transaction by use of proprietary funds on a front-running basis on the assumption that an end fund transactor would read fund transaction proposal data provided by it and then would conduct a transaction, has been conventionally recognized. In the invention, since an end fund transactor transacts foreign exchange products and/or financial derivative products not through a bank or a securities company but with other end fund transactors, the end fund transactor is freed from this conflict of interests and thus can attain more transaction profits and/or more advantageous contract conditions.

As used in the invention, the term 'fund transaction proposal data' shall

mean any of the following data:

(a) Economic or financial news, corporate news, political news, and/or the like that affects transactions of various financial instruments.

(b) Opinions on selection, timing for transactions, transaction methods and/or the like of financial instruments.

(c) Materials on proposals, evaluation and/or the like of compositions of assets, liabilities and capital; including materials on the use of financial derivative products.

(d) Schedules, rumors, reputation and/or the like on how others transact various financial instruments.

(e) Materials on economy or finance as a whole: macroeconomic analyses or forecasts, analyses or forecasts of economic indicators or financial indicators, and/or the like.

(f) Materials on equity markets: quantified or codified projected performance of equity prices such as stock ratings, and news relating thereto; analyses or forecasts on equity markets as a whole, analyses or forecasts on individual industries, analyses or forecasts on individual companies, analyses or forecasts on equity indices or individual equity prices, information on share holdings, and/or the like; including materials on financial derivative markets.

(g) Materials on interest rate and/or foreign exchange markets: quantified or codified debt service capacities of fund raisers such as credit ratings, and news relating thereto; analyses or forecasts on interest rate and/or foreign exchange markets as a whole, analyses or forecasts on reference interest rates or bond indices, analyses or forecasts on credit risks associated with individual industries or individual companies, and analyses or forecasts on individual currencies, and/or the like; including materials on financial derivative markets.

(h) Technical analyses and/or the like on equity markets, interest rate and/or foreign exchange markets, and financial derivative markets.

(i) Various materials available for public inspection in reading rooms of authorities, or the like.

(j) Market levels such as contractual, indicative or theoretical prices of various foreign exchange products, various financial derivative products and/or various cash products, fixed or provisional terms of fund raising or secondary offering arrangements, and transaction volumes thereof.

Moreover, the term 'provider of fund transaction proposal data' shall mean any domestic or foreign individual or corporation that provides, whether directly or indirectly, data for decision-making on transactions of financial instruments to end fund transactors and/or fund transaction agencies, and shall include:

① Independent institutions producing research materials such as advisors, consultants and research companies.

② Credit research institutions such as credit rating agencies and credit bureaus.

③ Information providers such as information vendors, specialty information vendors, database companies, the mass media, and the like.

④ Other fund transactors.

⑤ Authorities.

⑥ The site operator.

Moreover, since a securities company and/or a bank conventionally trades with both an end fund manager and an end fund raiser, occasionally, depending on its business strategy, one of them is treated advantageously and the other is treated disadvantageously. For example, in the case of a business strategy that attaches importance to end fund raisers, an end fund manager having poor fund management skills is sometimes urged to supply its funds to an end fund raiser so that the end fund raiser can attain a lower funding cost. On the other hand, in the case of a business strategy that attaches importance to end fund managers, an end fund raiser having poor fund raising skills is sometimes urged to raise funds targeting an end fund manager so that the end fund manager can attain a higher yield on investment. In the invention, since levels of fund raising are determined based on a balance of supply and demand between end fund managers and end fund raisers, neither side gains an advantage or suffers a disadvantage.

Furthermore, fees payable to intermediaries can be eliminated thereby. That is, in a conventional structure in which an end fund raiser issues equities, bonds, commercial papers and/or the like through a securities company and/or a bank, since the intermediating securities company and/or bank collects underwriting and selling fees, the end fund raiser suffers an

increase of funding costs. In the invention, since funds are supplied from end fund managers to end fund raisers, underwriting and selling fees payable to intermediating securities companies and/or banks are eliminated, and thus the end fund raisers can attain lower funding costs.

Also, in a conventional structure in which an end fund manager trades equities, bonds, commercial papers and/or the like through a securities company and/or a bank, since the intermediating securities company and/or bank collects brokerage fees, or the securities company and/or bank virtually collects equivalents of brokerage fees through its proprietary trading with the end fund manager, the end fund manager suffers a decrease of yields on investment. In the invention, since end fund managers trade financial instruments with other end fund managers, brokerage fees payable directly or indirectly to intermediating securities companies and/or banks are eliminated, and thus the end fund managers can enjoy higher yields on investment.

Said elimination of fees contributes to an increase of transaction profits and/or the improvement of contract conditions for end fund transactors. That is, in a conventional structure in which an end fund transactor transacts foreign exchange products and/or financial derivative products through a bank and/or a securities company, since the intermediating bank and/or securities company collects brokerage and/or intermediation fees, or the bank and/or securities company virtually collects equivalents of brokerage and/or intermediation fees through its proprietary transactions with the end fund transactor, in some cases, the end fund transactor has no choice but to receive reduced transaction profits or to conclude disadvantageous transaction contracts. Above all, since end fund transactors find it hard to grasp market levels of financial derivative products that are transacted as hybrid products on an over-the-counter basis, cases in which banks and/or securities companies having concluded advantageous contracts with end fund transactors subsequently made undue profits in the inter-dealer markets, have been known. In the invention, since end fund transactors transact foreign exchange products and/or financial derivative products with other end fund transactors, brokerage and/or intermediation fees payable directly or indirectly to intermediating banks and/or securities companies

are eliminated, and thus the end fund transactors can attain more transaction profits and/or more advantageous contract conditions.

Also, new access to individual instruments can be realized thereby. That is, individual end fund managers can fully participate in interest rate products. Since most interest rate products for individual end fund managers have conventionally been deposits and savings, the individual end fund managers have had little knowledge of credit risks that all interest rate products essentially have, and of bonds the prices of which affect yields on investment. Although debenture-issuing banks such as long-term credit banks and bond-issuing non-financial corporations exemplify domestic fund raisers that use bond issuance, these fund raisers have discriminated in yields between bonds targeting institutions equipped with sufficient knowledge thereof and bonds targeting individual end fund managers, and thus the individual end fund managers equipped with insufficient knowledge and information on the markets have been disadvantaged in many cases. Also, individual end fund managers have a strong tendency to hold these bonds until maturity as alternatives to time deposits and, in many cases, have suffered opportunity costs as a result of not selling them before maturity despite rises of the markets. Also, in a financial structure in which individuals have only indirectly participated in loans and/or commercial paper investments through intermediating banks, they have found it impossible to invest in these instruments. In the invention, by being provided with fund management agencies and/or fund management evaluators who have a great store of knowledge and information on interest rate products, individual end fund managers can make major investments in bonds and include in their fund management portfolios loan assets and/or commercial papers that can also be regarded as types of bonds, and furthermore, lending itself.

Also, individual end fund transactors can fully participate in foreign exchange products and/or financial derivative products. That is, since most financial instruments for individual end fund managers have conventionally been deposits, savings and/or equities whilst most financial instruments for individual end fund raisers have conventionally been borrowings, these individual end fund transactors have had insufficient knowledge and

information on foreign exchange products and/or financial derivative products, and thus have suffered opportunity costs as a result. In the invention, by being provided with fund transaction agencies and/or fund transaction evaluators who have a great store of knowledge and information on foreign exchange products and/or financial derivative products, individuals can have a wider choice of financial instruments as the objects of their transactions, and thus can attain higher yields on investment and/or lower funding costs. In addition to simple trading, foreign exchange products and financial derivative products are instrumental in hedge transactions and/or arbitrage transactions, and thus individuals can achieve profits in various ways by combining the hedge or arbitrage transactions with financial assets that they currently hold or with liabilities that they currently have.

Moreover, fund management opportunities in the secondary markets for loan assets can be provided. That is, if fund managers execute loans to end fund raisers, repayment of the loan amounts do not normally end until maturity, and yet the fund managers may find it necessary to sell the loan assets before maturity for reasons of business strategy, cash flows and/or the like. Since end fund raisers with relatively low creditworthiness have a strong tendency to borrow funds not by bond issuance requiring credit ratings but by loans, once the loan assets are equipped with prices and yields in the secondary markets before maturity like those of bonds, the loan assets start afresh as financial instruments attractive to other end fund managers. The invention provides end fund managers with secondary markets for loan assets in which they can enjoy higher yields on investment.

The issuance of private equities can be stimulated. That is, partly because private companies, compared with publicly-held companies, disclose insufficient information, their methods of raising funds have inclined toward bank loans and/or the like and thus their fund raising by equity issuance has been limited to those targeting relevant connections or to the like. In the invention, since the site operator and/or the like displays theoretical prices of private equities, and fund raising agencies, fund raising evaluators, fund management agencies and/or fund management evaluators provide a great store of useful knowledge and information on private equities, the demands

of end fund raisers and end fund managers can be cultivated and thus the inactive markets can be stimulated.

Also, the invention is a financial transaction system that provides transparency for the markets. That is, transparency can be provided for over-the-counter transactions in the secondary markets. Securities exchanges in several countries are easing their surrender requirements for transactions on equities and subsequently are preparing environments in which fund managers can effect the transactions on an over-the-counter basis beyond the barriers of national borders and/or the confines of session hours. On the other hand, loan assets, bonds and commercial papers have been conventionally traded mainly on an over-the-counter basis, and thus have been rarely traded in securities exchanges. If the over-the-counter transactions in the secondary markets continue to increase, however, transparency of the markets decreases and thus the phenomenon of 'many prices for a single product,' in which contract prices and/or contract yields differ between market A and market B even at the same point in time, occurs and disadvantages some end fund managers. Also, the phenomenon of 'many prices for a single product' at the same point in time generates inconvenience in some instances such as when financial products being held are marked to market. Since the invention can concentrate domestic and overseas transactions in the site and cover the transactions 24 hours a day, it can easily display current market levels and/or transaction volumes of various financial instruments showing their current status, and thus can provide transparency for the secondary markets.

Moreover, transparency can be provided for over-the-counter transactions of foreign exchange products and/or financial derivative products. That is, regarding foreign exchange products and/or financial derivative products, as their structures get more complicated, demands for over-the-counter transactions that are instrumental in creating tailor-made products increase, and thus the over-the-counter transactions have conventionally been more prominent. If the over-the-counter transactions continue to increase, however, transparency of the markets decreases and thus the phenomenon of 'many prices for a single product,' in which contract prices, contract interest rates, contract yields, contract yield spreads and/or contract

exchange rates differ between market A and market B even at the same point in time, occurs and disadvantages some end fund transactors. Also, the phenomenon of 'many prices for a single product' at the same point in time generates inconvenience in some instances such as when foreign exchange positions and/or financial derivative positions are marked to market. Since the invention can concentrate domestic and overseas transactions in the site and cover the transactions 24 hours a day, it can easily display current market levels and/or transaction volumes of foreign exchange products and/or financial derivative products showing their current status, and thus can provide transparency for the markets.

Also, liquidity can thereby be provided for the markets. That is, the trading of illiquid securities can be stimulated. In practice, bonds and commercial papers issued by various non-financial corporations and equities issued by small-to-medium-sized and private companies show low liquidity, and thus end fund managers find it difficult to actively trade them in the secondary markets. This is partly because these securities have offered insufficient profit-making opportunities to securities companies and/or banks that act as intermediaries in such trading, and thus the intermediaries have failed to make adequate efforts to seek out end fund managers willing to buy and end fund managers willing to sell such securities. In the invention, since the site operator and/or the like displays theoretical prices and/or theoretical yields of illiquid securities, and has fund management agencies and/or fund management evaluators provide a great store of useful knowledge and information on illiquid securities, the demands of end fund managers willing to buy and end fund managers willing to sell such securities can be cultivated and thus liquidity can be provided for the inactive trading markets.

Also, the transactions of illiquid financial derivative products can be stimulated. Financial derivative products transacted on an over-the-counter basis have a strong tendency to show low liquidity, and thus end fund transactors find it difficult to actively trade them in the secondary markets. This is partly because securing end fund transactors who can act as counterparties for the products proves difficult since particular conditions such as amounts, contract periods, various exercisable rights, and/or the like

required by the relevant fund transactors are reflected in the designs of the products. In the invention, since the site operator and/or the like performs, as appropriate, a process of bundling standardized products to create a tailor-made product and/or a process of unbundling a tailor-made product to restore the standardized products, the demands of end fund transactors willing to buy and end fund transactors willing to sell such products can be matched more easily and thus liquidity can be provided for the inactive financial derivative markets.

Also, the invention is a financial transaction system that provides neutrality for financial transaction-related information. That is, neutrality can be provided for fund raising-related information. A stance in which securities companies and/or banks provide information related to fund raising and information related to fund management for end fund raisers and end fund managers respectively in order to win a lead-management role in the underwriting and selling business and/or to gain higher shares in underwriting and selling syndicates, has been conventionally recognized. This stance, however, in which the securities companies and/or the banks pursue their own showings excessively, makes it difficult for end fund raisers to realize optimum fund raising and for end fund managers to realize optimum fund management. Since providers of fund raising proposal data and providers of fund management reference data of the invention supply the data from the viewpoints of end fund raisers and end fund managers, the end fund raisers and the end fund managers can optimize their fund raising and fund management respectively.

As used in the invention, the term ‘fund raising proposal data’ shall mean any of the following data:

(a) Economic or financial news, corporate news, political news, and/or the like that affects fund raising.

(b) Opinions on timing, costs, methods of fixing terms, and/or schedules of fund raising.

(c) Prospects of sales demands for instruments by fund manager and/or by type of fund manager.

(d) Materials on proposals, evaluation and/or the like of compositions of liabilities and capital; including materials on the use of financial derivative

products.

(e) Schedules, rumors, reputation and/or the like on the fund raising of other fund raisers.

(f) Schedules, rumors, reputation and/or the like on the fund management of fund managers.

(g) Materials on economy or finance as a whole: macroeconomic analyses or forecasts, analyses or forecasts of economic indicators or financial indicators, and/or the like.

(h) Materials on equity markets: quantified or codified projected performance of equity prices such as stock ratings, and news relating thereto; analyses or forecasts on equity markets as a whole, analyses or forecasts on individual industries, analyses or forecasts on individual companies, analyses or forecasts on equity indices or individual equity prices, information on share holdings, and/or the like; including materials on financial derivative markets.

(i) Materials on interest rate and/or foreign exchange markets: quantified or codified debt service capacities of fund raisers such as credit ratings, and news relating thereto; analyses or forecasts on interest rate and/or foreign exchange markets as a whole, analyses or forecasts on reference interest rates or bond indices, analyses or forecasts on credit risks associated with individual industries or individual companies, and analyses or forecasts on individual currencies, and/or the like; including materials on financial derivative markets.

(j) Various materials available for public inspection in reading rooms of authorities, or the like.

(k) Market levels such as fixed or provisional terms of other fund raising arrangements, fixed or provisional terms of secondary offering arrangements, contractual, indicative or theoretical prices of various financial instruments, and transaction volumes thereof.

Moreover, the term 'provider of fund raising proposal data' shall mean any domestic or foreign individual or corporation that provides, whether directly or indirectly, data for decision-making on fund raising to end fund raisers and/or fund raising agencies, and shall include:

① Independent counselors such as advisors and consultants.

② Credit research institutions such as credit rating agencies and credit

bureaus.

③ Information providers such as information vendors, specialty information vendors, database companies, the mass media, and the like.

④ Fund managers.

⑤ Authorities.

⑥ The site operator.

Also, neutrality can be provided for fund management-related information. That is, a stance in which securities companies and/or banks, in order to increase brokerage fees, which are sources of their income, provide fund management reference data for end fund managers so that the end fund managers trade financial instruments more frequently, has been conventionally recognized, and yet the stance makes it difficult for the end fund managers to realize optimum fund management. Since providers of fund management reference data of the invention supply the data from the viewpoint of end fund managers, they do not prompt the end fund managers to buy or sell financial instruments in market environments where making profits through the trades is difficult.

Moreover, neutrality can be provided for information relating to foreign exchange products and/or financial derivative products. That is, a stance in which banks and/or securities companies, in order to increase brokerage and/or intermediation fees, which are sources of their income, provide fund transaction proposal data for end fund transactors so that the end fund transactors transact foreign exchange products and/or financial derivative products more frequently, has been conventionally recognized, and yet with such a stance, the end fund transactors cannot necessarily realize optimum fund transactions. Since providers of fund transaction proposal data of the invention supply the data from the viewpoint of end fund transactors, they do not prompt the end fund transactors to make transactions of or conclude contracts of financial instruments in market environments where making profits through the transactions is difficult.

Also, a stance in which securities companies and/or banks provide advice related to fund raising for end fund raisers in order to win a lead-management role in underwriting and selling business and/or to gain higher

shares in underwriting and selling syndicates, has been conventionally recognized. This stance, however, in which the securities companies and/or the banks excessively pursue their own showings and underwriting and selling fees, makes it difficult to raise funds in sound markets. Also, since end fund raisers have insufficient knowledge and information on financial markets, in some cases, they have implicitly believed the advice of securities companies and/or banks and raised funds, and have been disadvantaged as a result. Since fund raising agencies of the invention execute fund raising purely from the viewpoint of end fund raisers, they can optimize the methods and timings of transactions and decrease their funding costs as a result.

Moreover, a structure in which end fund managers entrust their funds to fiduciaries such as trust accounts with trust banks, investment management companies, investment trust management companies and/or the like and then have them manage the funds, has been commonly known. These fiduciaries, however, have a strong tendency to be subsidiaries, associated companies or affiliated companies of securities companies or banks, and thus a market custom in which they are forced to purchase, directly or indirectly, securities handled by the securities companies and/or the banks engaged in underwriting and selling business, has been conventionally recognized. Since fund management agencies of the invention directly purchase securities issued by end fund raisers, not through securities companies or banks, they are freed from the conflict of interests arising between end fund managers and the securities companies or the banks, and thus enable the fund management purely in line with the viewpoint of the end fund managers.

Furthermore, since end fund transactors have insufficient knowledge and information on foreign exchange markets and/or financial derivative markets, in many cases, they have implicitly believed the advice of securities companies and/or banks and transacted funds, and have been disadvantaged as a result. Since fund transaction agencies of the invention execute transactions of foreign exchange products and/or financial derivative products purely from the viewpoint of end fund transactors, they can optimize the choices of products, methods and timings of transactions and/or

the like, and bring end fund transactors more transaction profits and/or more advantageous contract conditions.

An entity that comprehensively evaluates fund raising effected by end fund raisers has not existed previously. Fund raising evaluators of the invention recommend to end fund raisers, fund raising agencies that are suited to their fund raising policies, compare the contents of the advice given by their fund raising agencies, the performance of fund raising effected by their commissioned fund raising agencies, or that of fund raising independently effected by themselves, with that of fund raising effected by other end fund raisers or other fund raising agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund raisers can attain lower funding costs by commissioning the recommended fund raising agencies to raise their funds and/or by applying the given evaluations to their future fund raising.

Although a structure in which pension consultants and/or the like give advice to investors, has been commonly known, the provision of the advice has mainly targeted institutional investors and has not been a real-time service. Fund management evaluators of the invention recommend to end fund managers, whether they are individuals or corporations, fund management agencies that are suited to their fund management policies, compare the contents of the advice given by their fund management agencies, the performance of fund management effected by their commissioned fund management agencies, or that of fund management independently effected by themselves, with that of fund management effected by other end fund managers or other fund management agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund managers can realize higher yields on investment by commissioning the recommended fund management agencies to manage their funds and/or by applying the given evaluations to their future fund management.

An entity that comprehensively evaluates transactions of foreign exchange products and/or financial derivative products effected by end fund transactors has not existed previously. Fund transaction evaluators of the

invention recommend to end fund transactors, fund transaction agencies that are suited to their fund transaction policies, compare the contents of the advice given by their fund transaction agencies, the performance of fund transactions effected by their commissioned fund transaction agencies, or that of fund transactions independently effected by themselves, with that of fund transactions effected by other end fund transactors or other fund transaction agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund transactors can attain more transaction profits, more advantageous contract conditions and/or more effective hedge transactions by commissioning the recommended fund transaction agencies to transact their funds and/or by applying the given evaluations to their future fund transactions.

Furthermore, the invention is a financial system that enables simultaneous collective financial transactions. That is, regarding the conventional issuance of equities, bonds, commercial papers and/or the like, it has been difficult for many end fund raisers to effect fund raising simultaneously since securities companies and/or banks that conduct underwriting and selling business have limited capacities for execution. Therefore, in many cases, end fund raisers who had postponed their fund raising were disadvantaged by the subsequent falls of the markets, whilst fund managers who had failed to make investments missed the optimal timings as a result of the subsequent rises of the markets. In the invention, since end fund raisers are supplied with funds by end fund managers, not through securities companies or banks, and since simultaneous collective fund raising by a plurality of end fund raisers with similar current credit risks and similar outlooks for future credit risks and/or by a plurality of end fund raisers with similar current levels of equity prices and similar outlooks for future levels of equity prices can be effected, more end fund raisers and more end fund managers can participate in the markets simultaneously.

Although simultaneous collective loans effected by a plurality of fund managers have centered on overseas arrangements in the form of underwriting syndications consisting of banks and/or securities companies, this has been nothing more than a style that enabled financial institutions invited by an end fund raiser or a lead manager of an underwriting

syndicate to participate in a single arrangement. Also, simultaneous collective buying of newly issued bonds, equities and/or commercial papers has been nothing more than a form that resulted in simultaneous collective buying of a single issue effected by fund managers after underwriting and selling syndicates consisting of banks and/or securities companies completed their placements. Meanwhile, there has been negligible communication among fund managers in the conventional fund management (including secondary offerings) in the secondary markets, and there has been no simultaneous collective fund management (including simultaneous collective secondary offerings) effected by a plurality of fund managers except those of a plurality of staff members within a single fund manager or those of a plurality of selling holders in a single name of issue.

In the invention, end fund managers and/or fund management agencies can improve yields on investment by keeping step with partners in simultaneous collective fund management, i.e. other end fund managers and/or fund management agencies with compatible fund management policies and objectives and thus by increasing the managed amounts. On the other hand, if the amounts managed by the side of end fund managers increase through simultaneous collective fund management, end fund raisers can raise larger amounts with lower frequency and thus avoid missing the optimal timings in the markets and resulting in higher funding costs.

Additionally, the term 'secondary offering' shall mean any sale of securities already issued and then being held by fund managers to numerous other fund managers simultaneously under uniform conditions.

There has been negligible communication among end fund transactors in the conventional transactions of foreign exchange products and/or financial derivative products, and there has been no simultaneous collective fund transaction effected by a plurality of end fund transactors except those of a plurality of staff members within a single end fund transactor. In the invention, end fund transactors and/or fund transaction agencies can attain more transaction profits and/or more advantageous contract conditions by keeping step with partners in simultaneous collective fund transactions, i.e. other end fund transactors and/or fund transaction agencies with compatible

fund transaction policies and objectives and thus by increasing the transacted amounts.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is an embodiment in accordance with the present invention illustrating transactions between end fund managers and end fund raisers;

FIG. 2 is a diagram showing an embodiment of the flow of funds and fee collection mechanism in FIG. 1;

FIG. 3 is an embodiment in accordance with the invention illustrating transactions between end fund managers;

FIG. 4 is a diagram showing an embodiment of the flow of funds and fee collection mechanism in FIG. 3;

FIG. 5 is another embodiment in accordance with the invention illustrating transactions between end fund managers;

FIG. 6 is a diagram showing an embodiment of the flow of funds and fee collection mechanism in FIG. 5;

FIG. 7 is an embodiment in accordance with the invention illustrating transactions between end fund transactors; and

FIG. 8 is a diagram showing an embodiment of the flow of funds and fee collection mechanism in FIG. 7.

BEST MODES FOR CARRYING-OUT OF THE INVENTION

The present invention will become more apparent from the following detailed description considered with reference to the accompanying drawings.

The present invention relates to a financial transaction system. That is, it creates virtual markets of financial instruments via communications lines on computer networks; eliminates financial transaction intermediations by banks, securities companies and/or the like; and enables end customers such as end fund managers, end fund raisers, and/or end fund transactors to effect the transactions directly with one another on a matching basis.

FIGS. 1 and 2 are diagrams that illustrate transactions between end fund

managers and end fund raisers. That is, after end fund raisers and/or fund raising agencies announce outlines of fund raising on the site, end fund managers and/or fund management agencies may participate in the fund raising.

First, the site operator 1 entitles the end fund managers 2, fund management agencies 3, fund management evaluators 4, providers of fund management reference data 5, end fund raisers 6, fund raising agencies 7, fund raising evaluators 8, and/or providers of fund raising proposal data 9 who desire to use the service. On the homepage, by financial instrument, sections for loans 10, bonds 11, equities 12, commercial papers 13 and/or the like are then established. The users of the service can effect transmission and receipt of data, communication, consultation, market transactions, contract confirmations, settlements and/or the like on the site.

Next, using portable document format (PDF) files, electronic mail and/or the like, the providers of fund management reference data 5 begin to send the reference data in real time to the end fund managers 2 and the fund management agencies 3. Also, using PDF files, electronic mail and/or the like, the providers of fund raising proposal data 9 begin to send the proposal data in real time to the end fund raisers 6 and the fund raising agencies 7. At the same time, the site operator 1 begins to display the current market levels and transaction volumes of various financial transactions, and their histories in real time in the appropriate sections by financial instrument. Based on these various data and market level figures, the end fund managers 2, the fund management agencies 3, the end fund raisers 6, and/or the fund raising agencies 7 keep track of the levels of interest rates and equity prices, and wait for opportunities for their participation in market transactions.

Additionally, as used in the invention, the term 'market levels' means fixed or provisional terms of other fund raising, fixed or provisional terms of secondary offerings, contractual prices, indicative prices or theoretical prices of various financial instruments, and/or the like including market levels provided by financial transaction systems not within the scope of the invention, banks, and/or securities companies.

The end fund managers 2 or the end fund raisers 6 select fund management evaluators 4 or fund raising evaluators 8 based on profile data, evaluation fee scales, and/or the like recorded in databases provided by the site operator 1 and/or others.

Next, the fund management evaluators 4 selected by the end fund managers 2 introduce fund management agencies 3 that are suited to the fund management policies and objectives of the end fund managers 2, to the end fund managers 2, based on 'past fund management performance,' 'data on comparison with other fund management agencies,' 'data on comparison between performance of market indices and that of fund management,' 'agency fee scales,' and/or the like. Fund management evaluators 4 can format said data into a database form to make these data available on a site that can be searched by end fund managers 2.

Similarly, the fund raising evaluators 8 selected by the end fund raisers 6 introduce fund raising agencies 7 that are suited to the fund raising policies and objectives of the end fund raisers 6, to the end fund raisers 6, based on 'past fund raising performance,' 'data on comparison with other fund raising agencies,' 'data on comparison between performance of market indices and that of fund raising,' 'agency fee scales,' and/or the like. Fund raising evaluators 8 can format said data into a database form to make these data available on a site that can be searched by end fund raisers 6.

End fund managers 2 or end fund raisers 6 require the agencies commissioned to undertake their transactions to provide the evaluators with reports on the performance of fund management or fund raising on a regular basis to allow the evaluators to easily prepare various data to provide for the end fund managers 2 or the end fund raisers 6. Additionally, when end fund managers 2 or end fund raisers 6 independently participate in transactions as well, they can request evaluation of their fund management or fund raising by fund management evaluators 4 or fund raising evaluators 8. Also, the evaluators can provide the end fund managers 2 or the end fund raisers 6 with software and/or other tools on the site for evaluation of their fund management or fund raising.

Next, end fund managers 2 and end fund raisers 6 that have received introductions to agencies from evaluators, decide whether to delegate transactions to the introduced agencies, or independently participate in transactions while receiving only the advice of the agencies. At this point, the parties participating in market transactions, i.e. end fund managers 2, fund management agencies 3 representing end fund managers 2, end fund raisers 6, and fund raising agencies 7 representing end fund raisers 6 are identified.

Agency agreements that end fund managers 2 conclude with fund management agencies 3 may target specific fund management, or commission all fund management during the agency agreement period, determining the commissioned amounts. Also, end fund managers 2 can designate a plurality of fund management agencies 3, and fund management agencies 3 can be commissioned as transaction agencies by a plurality of end fund managers 2. Fund management agencies 3 can aggregate and pool the fund management demands of end fund managers 2 with compatible fund management policies and objectives, and be delegated the fund management pool by pool. Also, using foreign or domestic trust accounts and/or various other funds, fund management agencies 3 can separate the funds commissioned by end fund managers 2 from their own credit risks.

Similarly, agency agreements that end fund raisers 6 conclude with fund raising agencies 7 may target specific fund raising, or commission all fund raising during the agency agreement period, determining the commissioned amounts. Also, end fund raisers 6 can designate a plurality of fund raising agencies 7, and fund raising agencies 7 can be commissioned as transaction agencies by a plurality of end fund raisers 6. Fund raising agencies 7 can aggregate and pool the fund raising demands of end fund raisers 6 with compatible fund raising policies and objectives and/or the fund raising demands of end fund raisers 6 with similar outlooks for future credit ratings, future earnings or the like, and be delegated the fund raising pool by pool.

Additionally, consideration of the conflict of interests between end fund managers 2 and end fund raisers 6 indicates that, in principle, the same

agency cannot be commissioned for market transactions by both end fund managers 2 and end fund raisers 6.

Next, end fund managers 2 or fund management agencies 3 transfer the funds to manage or margin requirements, to the site operator 1. The operator 1 maintains custody of these funds in separate accounts for end fund managers 2 or fund management agencies 3. End fund raisers 6 or fund raising agencies 7 as well open accounts on the site to receive payments and to pay interest, dividends, and/or principal to end fund managers 2 or fund management agencies 3.

Next, end fund raisers 6 or their commissioned fund raising agencies 7 who have decided to effect fund raising, gauge the timing of market changes and then convey to the site operator 1 outlines of the desired fund raising including amounts to raise, number of shares to issue, lifetimes, existence of collateral or guarantors, uses of funds, and/or the like. The operator 1 notifies all end fund managers 2 and all fund management agencies 3 of this information in the appropriate sections on the homepage by financial instrument. As provisional terms on the homepage, it lists prices, discount ratios, premium ratios, interest rates, yields, yield spreads, upper or lower limits of foreign exchange rates, and/or the like that the end fund raisers 6 or the fund raising agencies 7 require.

Next, if end fund managers 2 or their commissioned fund management agencies 3 are interested in the outlines and the provisional terms of this fund raising, referring to the provisional terms, they transmit to the operator 1 limit orders (specification of transaction volumes, particular prices, discount ratios, premium ratios, interest rates, yields, yield spreads or foreign exchange rates, and the like) or orders without limits (specification of transaction volumes, but non-specification of terms). The operator 1 uses the matching functions of the site to prioritize orders without limits, limit orders for provisional terms that favor the end fund raisers 6, and orders transmitted earlier, and to automatically allocate amounts or number of shares to end fund managers 2 or fund management agencies 3. Where the results of this real-time matching operation cause the amounts to be raised or the number of shares to be issued to fall short of the

initially planned figures, then the fund raising ends at this point if the end fund raisers 6 or the fund raising agencies 7 compromise on the contracted amounts or number of shares. If there is not a compromise regarding insufficient amounts to be raised or number of shares to be issued, it somewhat shifts the provisional terms to favor the end fund managers 2 and then solicits limit orders and orders without limits, again from end fund managers 2 or fund management agencies 3.

Additionally, on the site, end fund raisers 6 or fund raising agencies 7 can transmit prospectuses that they have prepared, to end fund managers 2 or fund management agencies 3 by PDF files and/or the like.

The site operator 1 can invite end fund managers 2 or fund management agencies 3, with compatible fund management policies and objectives, and then operate simultaneous collective fund management by those plural end fund managers 2 and/or fund management agencies 3. The site operator 1 may also execute this simultaneous collective fund management in response to requests from plural, specific end fund managers 2 or fund management agencies 3. Also, this simultaneous collective fund management may target specific management of financial instruments, or all fund management within a specified period.

The site operator 1 can invite end fund raisers 6 or fund raising agencies 7, with compatible fund raising policies and objectives, and then operate simultaneous collective fund raising by those plural end fund raisers 6 and/or fund raising agencies 7. The site operator 1 may also execute this simultaneous collective fund raising in response to requests from plural, specific end fund raisers 6 or fund raising agencies 7. Also, this simultaneous collective fund raising may target specific fund raising, or all fund raising within a specified period. The main financial instruments for which simultaneous collective fund raising can be effected are as follows.

(a) Simultaneous collective borrowing, simultaneous collective issuance of bonds, simultaneous collective issuance of commercial papers, and/or the like by a plurality of end fund raisers 6 with similar current credit risks and similar outlooks for future credit risks.

(b) Simultaneous collective issuance of equities and/or the like by a plurality

of end fund raisers 6 with similar current levels of equity prices and similar outlooks for future levels of equity prices.

(c) Simultaneous collective issuance of convertible bonds, simultaneous collective issuance of bonds with equity subscription warrants, and/or the like by a plurality of end fund raisers 6 with similar current credit risks and similar outlooks for future credit risks, and similar current levels of equity prices and similar outlooks for future levels of equity prices.

Next, the site operator 1 confirms contracts with both the fund management side and the fund raising side at the point when transactions are effected between end fund managers 2 or fund management agencies 3, and end fund raisers 6 or fund raising agencies 7, and contract amounts are subsequently transferred from the accounts of the end fund managers 2 or the fund management agencies 3 to the accounts of the end fund raisers 6 or the fund raising agencies 7 through inter-account transfers on the site. With reference to loans, the operator 1 prepares loan agreements and/or the like, and both the fund management side and the fund raising side seal or sign these documents. The operator 1 takes custody of equities, bonds, commercial papers and/or other certificates on their own responsibility, and effects delivery through inter-account transfer processing. Therefore, there is no physical delivery or receipt of the certificates between the fund management side and the fund raising side.

Next, the site operator 1 performs administration of the following items and/or the like after conclusion of the fund raising agreements.

(a) With reference to the fund raising, it inspects end fund managers 2, fund management agencies 3, end fund raisers 6 and/or fund raising agencies 7 to determine whether there is proper compliance with laws, regulations and/or internal company rules, filing of transaction reports with authorities, disclosure of information to the general public, and/or the like respectively. Also, the site operator 1 files its own reports with authorities and/or discloses information to the general public as necessary.

(b) With reference to the fund raising, it provides software and/or other tools that can be used in risk management and/or profit and loss management on the site to end fund managers 2, fund management agencies 3, end fund raisers 6 and/or fund raising agencies 7.

(c) It effects payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to end fund managers 2 or fund management agencies 3 through inter-account transfers on the site. Also, the operator 1 can effect payment of line charges, service charges, advertisement fees, information subscription fees, various evaluations fees, various agency fees, and/or the like through inter-account transfers between the parties on the site.
(d) It executes administrative procedures for the various exercise of rights by end fund managers 2 or fund management agencies 3, and/or end fund raisers 6 or fund raising agencies 7 such as premature repayment of loans, premature redemption of bonds or commercial papers, interest rate changes for loans or bonds before maturity, stock split-ups, exercise of voting and other shareholder's rights, exercise of rights to convert convertible bonds to equities, and exercise of rights of bonds with warrants to purchase equities.
(e) If the creditworthiness of end fund raisers 6 or fund raising agencies 7 regarding loans, bonds, commercial papers and/or the like declines substantially before maturity, or end fund raisers 6 or fund raising agencies 7 cannot pay interest and principal before or at maturity resulting in default, it fulfills a guidance role in the preservation and recovery of credits and/or in the institution of legal proceedings on behalf of the creditors (end fund managers 2 or fund management agencies 3) at that point in time.

Also, another method for transactions between end fund managers and end fund raisers is that, after end fund managers and/or fund management agencies announce on the site the terms that they desire of end fund raisers, the end fund raisers and/or their fund raising agencies accept the fund raising.

First, the site operator 1 entitles the end fund managers 2, fund management agencies 3, fund management evaluators 4, providers of fund management reference data 5, end fund raisers 6, fund raising agencies 7, fund raising evaluators 8, and/or providers of fund raising proposal data 9 who desire to use the service. On the homepage, by financial instrument, sections for loans 10, bonds 11, equities 12, commercial papers 13 and/or the like are then established. The users of the service can effect transmission and receipt of data, communication, consultation, market transactions,

contract confirmations, settlements and/or the like on the site.

Next, using portable document format (PDF) files, electronic mail and/or the like, the providers of fund management reference data 5 begin to send the reference data in real time to the end fund managers 2 and the fund management agencies 3. Also, using PDF files, electronic mail and/or the like, the providers of fund raising proposal data 9 begin to send the proposal data in real time to the end fund raisers 6 and the fund raising agencies 7. At the same time, the site operator 1 begins to display the current market levels and transaction volumes of various financial transactions, and their histories in real time in the appropriate sections by financial instrument. Based on these various data and market level figures, the end fund managers 2, the fund management agencies 3, the end fund raisers 6, and/or the fund raising agencies 7 keep track of the levels of interest rates and equity prices, and wait for opportunities for their participation in market transactions.

Additionally, as used in the invention, the term 'market levels' means fixed or provisional terms of other fund raising, fixed or provisional terms of secondary offerings, contractual prices, indicative prices or theoretical prices of various financial instruments, and/or the like including market levels provided by financial transaction systems not within the scope of the invention, banks, and/or securities companies.

The end fund managers 2 or the end fund raisers 6 select fund management evaluators 4 or fund raising evaluators 8 based on profile data, evaluation fee scales, and/or the like recorded in databases provided by the site operator 1 and/or others.

Next, the fund management evaluators 4 selected by the end fund managers 2 introduce fund management agencies 3 that are suited to the fund management policies and objectives of the end fund managers 2, to the end fund managers 2, based on 'past fund management performance,' 'data on comparison with other fund management agencies,' 'data on comparison between performance of market indices and that of fund management,' 'agency fee scales,' and/or the like. Fund management evaluators 4 can

format said data into a database form to make these data available on a site that can be searched by end fund managers 2.

Similarly, the fund raising evaluators 8 selected by the end fund raisers 6 introduce fund raising agencies 7 that are suited to the fund raising policies and objectives of the end fund raisers 6, to the end fund raisers 6, based on 'past fund raising performance,' 'data on comparison with other fund raising agencies,' 'data on comparison between performance of market indices and that of fund raising,' 'agency fee scales,' and/or the like. Fund raising evaluators 8 can format said data into a database form to make these data available on a site that can be searched by end fund raisers 6.

End fund managers 2 or end fund raisers 6 require the agencies commissioned to undertake their transactions to provide the evaluators with reports on the performance of fund management or fund raising on a regular basis to allow the evaluators to easily prepare various data to provide for the end fund managers 2 or the end fund raisers 6. Additionally, when end fund managers 2 or end fund raisers 6 independently participate in transactions as well, they can request evaluation of their fund management or fund raising by fund management evaluators 4 or fund raising evaluators 8. Also, the evaluators can provide the end fund managers 2 or the end fund raisers 6 with software and/or other tools on the site for evaluation of their fund management or fund raising.

Next, end fund managers 2 and end fund raisers 6 that have received introductions to agencies from evaluators, decide whether to delegate transactions to the introduced agencies, or independently participate in transactions while receiving only the advice of the agencies. At this point, the parties participating in market transactions, i.e. end fund managers 2, fund management agencies 3 representing end fund managers 2, end fund raisers 6, and fund raising agencies 7 representing end fund raisers 6 are identified.

Agency agreements that end fund managers 2 conclude with fund management agencies 3 may target specific fund management, or commission all fund management during the agency agreement period,

determining the commissioned amounts. Also, end fund managers 2 can designate a plurality of fund management agencies 3, and fund management agencies 3 can be commissioned as transaction agencies by a plurality of end fund managers 2. Fund management agencies 3 can aggregate and pool the fund management demands of end fund managers 2 with compatible fund management policies and objectives, and be delegated the fund management pool by pool. Also, using foreign or domestic trust accounts and/or various other funds, fund management agencies 3 can separate the funds commissioned by end fund managers 2 from their own credit risks.

Similarly, agency agreements that end fund raisers 6 conclude with fund raising agencies 7 may target specific fund raising, or commission all fund raising during the agency agreement period, determining the commissioned amounts. Also, end fund raisers 6 can designate a plurality of fund raising agencies 7, and fund raising agencies 7 can be commissioned as transaction agencies by a plurality of end fund raisers 6. Fund raising agencies 7 can aggregate and pool the fund raising demands of end fund raisers 6 with compatible fund raising policies and objectives and/or the fund raising demands of end fund raisers 6 with similar outlooks for future credit ratings, future earnings or the like, and be delegated the fund raising pool by pool.

Additionally, consideration of the conflict of interests between end fund managers 2 and end fund raisers 6 indicates that, in principle, the same agency cannot be commissioned for market transactions by both end fund managers 2 and end fund raisers 6.

Next, end fund managers 2 or fund management agencies 3 transfer the funds to manage or margin requirements, to the site operator 1. The operator 1 maintains custody of these funds in separate accounts for end fund managers 2 or fund management agencies 3. End fund raisers 6 or fund raising agencies 7 as well open accounts on the site to receive payments and to pay interest, dividends, and/or principal to end fund managers 2 or fund management agencies 3.

Next, end fund managers 2 or their commissioned fund management agencies 3 gauge the timing of market changes and then convey to the site

operator 1 transaction volumes, fund management periods, desired names, industries, credit ratings or stock ratings of end fund raisers 6 as objects of fund management, desired prices, discount ratios, premium ratios, interest rates, yields, yield spreads or upper or lower limits of foreign exchange rates as specific terms, and/or the like. In the appropriate sections on the homepage by financial instrument, the operator 1 notifies of the above terms, end fund raisers 6 or their commissioned fund raising agencies 7 if the names of the end fund raisers 6 are specified, or all eligible end fund raisers 6 or their commissioned fund raising agencies 7 if the industries, credit ratings and/or stock ratings of end fund raisers 6 are specified. End fund managers 2 or fund management agencies 3 may also specify a plurality of end fund raisers 6 as objects of fund management.

Next, the end fund raisers 6 or their commissioned fund raising agencies 7 who have received the notification from the operator 1 decide, if they can accept the terms of the fund raising presented by the end fund managers 2 or the fund management agencies 3, to effect the fund raising in line with the terms. On the other hand, if agreement cannot be reached despite their general interest in the terms, negotiations are conducted with end fund managers 2 or fund management agencies 3 in an attempt to reach a compromise.

Additionally, on the site, end fund raisers 6 or fund raising agencies 7 can transmit prospectuses that they have prepared, to end fund managers 2 or fund management agencies 3 by PDF files and/or the like.

The site operator 1 can invite end fund managers 2 or fund management agencies 3, with compatible fund management policies and objectives, and then operate simultaneous collective fund management by those plural end fund managers 2 and/or fund management agencies 3. The site operator 1 may also execute this simultaneous collective fund management in response to requests from plural, specific end fund managers 2 or fund management agencies 3. Also, this simultaneous collective fund management may target specific management of financial instruments, or all fund management within a specified period.

Next, the site operator 1 confirms contracts with both the fund management side and the fund raising side at the point when transactions are effected between end fund managers 2 or fund management agencies 3, and end fund raisers 6 or fund raising agencies 7, and contract amounts are subsequently transferred from the accounts of the end fund managers 2 or the fund management agencies 3 to the accounts of the end fund raisers 6 or the fund raising agencies 7 through inter-account transfers on the site. With reference to loans, the operator 1 prepares loan agreements and/or the like, and both the fund management side and the fund raising side seal or sign these documents. The operator 1 takes custody of equities, bonds, commercial papers and/or other certificates on their own responsibility, and effects delivery through inter-account transfer processing. Therefore, there is no physical delivery or receipt of the certificates between the fund management side and the fund raising side.

Next, the site operator 1 performs administration of the following items and/or the like after conclusion of the fund raising agreements.

(a) With reference to the fund raising, it inspects end fund managers 2, fund management agencies 3, end fund raisers 6 and/or fund raising agencies 7 to determine whether there is proper compliance with laws, regulations and/or internal company rules, filing of transaction reports with authorities, disclosure of information to the general public, and/or the like respectively. Also, the site operator 1 files its own reports with authorities and/or discloses information to the general public as necessary.

(b) With reference to the fund raising, it provides software and/or other tools that can be used in risk management and/or profit and loss management on the site to end fund managers 2, fund management agencies 3, end fund raisers 6 and/or fund raising agencies 7.

(c) It effects payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to end fund managers 2 or fund management agencies 3 through inter-account transfers on the site. Also, the operator 1 can effect payment of line charges, service charges, advertisement fees, information subscription fees, various evaluations fees, various agency fees, and/or the like through inter-account transfers between the parties on the site.

(d) It executes administrative procedures for the various exercise of rights by

end fund managers 2 or fund management agencies 3, and/or end fund raisers 6 or fund raising agencies 7 such as premature repayment of loans, premature redemption of bonds or commercial papers, interest rate changes for loans or bonds before maturity, stock split-ups, exercise of voting and other shareholder's rights, exercise of rights to convert convertible bonds to equities, and exercise of rights of bonds with warrants to purchase equities.

(e) If the creditworthiness of end fund raisers 6 or fund raising agencies 7 regarding loans, bonds, commercial papers and/or the like declines substantially before maturity, or end fund raisers 6 or fund raising agencies 7 cannot pay interest and principal before or at maturity resulting in default, it fulfills a guidance role in the preservation and recovery of credits and/or in the institution of legal proceedings on behalf of the creditors (end fund managers 2 or fund management agencies 3) at that point in time.

Next, an embodiment of the flow of funds and fee collection mechanism is explained by FIG. 2.

In the diagram, ① is the flow of payments from end fund managers 2 or fund management agencies 3 to end fund raisers 6 or fund raising agencies 7.

② is payment of line charges, service charges, advertisement fees (banner ads and pop-up ads displayed on the homepage), and/or the like from users to the site operator 1.

③ is payment of information subscription fees from end fund managers 2 and fund management agencies 3 to providers of fund management reference data 5.

④ is payment of information subscription fees from end fund raisers 6 and fund raising agencies 7 to providers of fund raising proposal data 9.

⑤ is payment of fund management evaluation fees from end fund managers 2 to fund management evaluators 4.

⑥ is payment of fund management agency fees from end fund managers 2 to fund management agencies 3.

⑦ is payment of fund raising evaluation fees from end fund raisers 6 to fund raising evaluators 8.

⑧ is payment of fund raising agency fees from end fund raisers 6 to fund raising agencies 7.

In the embodiment, the advantages for end fund managers and end fund raisers are as follows:

First, an increase of yields on investment and/or a decrease of funding costs can be realized because banks are excluded. That is, in a conventional structure in which end fund managers supply funds to banks through deposits, savings, purchase of bank debentures, and/or the like and then the banks supply the funds to end fund raisers through lending the funds to the end fund raisers, purchasing securities issued by the end fund raisers, and/or the like, because the banks take their margins during the flow of the funds, the end fund managers suffer a decrease of yields on investment and/or the end fund raisers suffer an increase of funding costs. In the invention, since funds are supplied from end fund managers to end fund raisers, the margins of any intermediating banks are eliminated and thus the end fund managers can enjoy higher yields on investment and/or the end fund raisers can attain lower funding costs.

Also, since banks are excluded, an increase of yields on investment and/or a decrease of funding costs can be realized even when interest rates have changed. That is, in a situation in which interest rates have risen, interest rates on deposits, savings and/or bank debentures do not increase to the same degree as those of loans provided for end fund raisers by banks that wish to enlarge their margins, and thus disadvantage end fund managers. On the other hand, in a situation in which interest rates have fallen, interest rates on borrowings do not decrease to the same degree as those of deposits, savings, and/or bank debentures tapped by banks that wish to enlarge their margins, and thus disadvantage end fund raisers. In the invention, since funds are supplied from end fund managers to end fund raisers, the end fund managers can enjoy higher yields on investment in the situation in which interest rates have risen, and/or the end fund raisers can attain lower funding costs in the situation in which interest rates have fallen.

Furthermore, mechanisms for deciding interest rates can be corrected. That is, although interest rates of deposits and/or savings should be differentiated according to the degree of credit risks in individual banks that keep the

funds, there have conventionally been negligible differences due to high peer pressure among the banks, and thus end fund managers have also had to endure low interest rates that do not correspond to the credit risks in particular banks. On the other hand, although loan interest rates that banks apply to end fund raisers are determined in principle by adding some percent to funding rates of the banks themselves, there have conventionally been negligible differences due to uniform methods of setting interest rates on the basis of prime rates and/or the like and high peer pressure among the banks, and thus end fund raisers have had to endure high interest rates that do not correspond to their own creditworthiness. In the invention, since funds are supplied from end fund managers to end fund raisers, interest rates corresponding to the creditworthiness of the end fund raisers are determined based on a balance between supply and demand in the markets, and thus the end fund managers and the end fund raisers can enjoy interest rate levels which both parties can accept.

Also, funding costs can be decreased by the elimination of underwriting and selling fees. That is, in a conventional structure in which an end fund raiser issues equities, bonds, commercial papers and/or the like through a securities company and/or a bank and then an end fund manager purchases these securities through the securities company and/or the bank, since the intermediating securities company and/or bank collects underwriting and selling fees, the end fund raiser suffers an increase of funding costs. In the invention, since funds are supplied from end fund managers to end fund raisers, underwriting and selling fees payable to intermediating securities companies and/or banks are eliminated and thus the end fund raisers can attain lower funding costs.

Also, neutrality of information can be maintained by independent data providers. That is, a stance in which securities companies and/or banks provide information related to fund raising and information related to fund management for end fund raisers and end fund managers respectively in order to win a lead-management role in the underwriting and selling business and/or to gain higher shares in underwriting and selling syndicates, has been conventionally recognized. This stance, however, in which the securities companies and/or the banks pursue their own showings

excessively, makes it difficult for end fund raisers to realize optimum fund raising and for end fund managers to realize optimum fund management. Since providers of fund raising proposal data and providers of fund management reference data of the invention supply the data from the viewpoints of end fund raisers and end fund managers, the end fund raisers and the end fund managers can optimize their fund raising and fund management respectively.

Also, since securities companies and/or banks are excluded, end fund managers and end fund raisers are placed on an equal footing. That is, since a securities company and/or a bank conventionally trades with both an end fund manager and an end fund raiser, occasionally, depending on its business strategy, one of them is treated advantageously and the other is treated disadvantageously. For example, in the case of a business strategy that attaches importance to end fund raisers, an end fund manager having poor fund management skills is sometimes urged to supply its funds to an end fund raiser so that the end fund raiser can attain a lower funding cost. On the other hand, in the case of a business strategy that attaches importance to end fund managers, an end fund raiser having poor fund raising skills is sometimes urged to raise funds targeting an end fund manager so that the end fund manager can attain a higher yield on investment. In the invention, since levels of fund raising are determined based on a balance of supply and demand between end fund managers and end fund raisers, neither side gains an advantage or suffers a disadvantage.

Also, both end fund managers and end fund raisers can enjoy the convenience of simultaneous collective fund raising. That is, regarding the conventional issuance of equities, bonds, commercial papers and/or the like, it has been difficult for many end fund raisers to effect fund raising simultaneously since securities companies and/or banks that conduct underwriting and selling business have limited capacities for execution. Therefore, in many cases, end fund raisers who had postponed their fund raising were disadvantaged by the subsequent falls of the markets, whilst fund managers who had failed to make investments missed the optimal timings as a result of the subsequent rises of the markets. In the invention, since end fund raisers are supplied with funds by end fund managers, not

through securities companies or banks, and since simultaneous collective fund raising by a plurality of end fund raisers with similar current credit risks and similar outlooks for future credit risks and/or by a plurality of end fund raisers with similar current levels of equity prices and similar outlooks for future levels of equity prices can be effected, more end fund raisers and more end fund managers can participate in the markets simultaneously.

Also, both end fund managers and end fund raisers can enjoy the convenience of simultaneous collective fund management as well. That is, although simultaneous collective loans effected by a plurality of fund managers have centered on overseas arrangements in the form of underwriting syndications consisting of banks and/or securities companies, this has been nothing more than a style that enabled financial institutions invited by an end fund raiser or a lead manager of an underwriting syndicate to participate in a single arrangement. Also, simultaneous collective buying of newly issued bonds, equities and/or commercial papers has been nothing more than a form that resulted in simultaneous collective buying of a single issue effected by fund managers after underwriting and selling syndicates consisting of banks and/or securities companies completed their placements. In the invention, end fund managers and/or fund management agencies can improve yields on investment by keeping step with partners in simultaneous collective fund management, i.e. other end fund managers and/or fund management agencies with compatible fund management policies and objectives and thus by increasing the managed amounts. On the other hand, if the amounts managed by the side of end fund managers increase through simultaneous collective fund management, end fund raisers can raise larger amounts with lower frequency and thus avoid missing the optimal timings in the markets and resulting in higher funding costs.

Also, the issuance of private equities can be stimulated. That is, partly because private companies, compared with publicly-held companies, disclose insufficient information, their methods of raising funds have inclined toward bank loans and/or the like and thus their fund raising by equity issuance has been limited to those targeting relevant connections or to the like. In the invention, since the site operator and/or the like displays theoretical prices

of private equities, and fund raising agencies, fund raising evaluators, fund management agencies and/or fund management evaluators provide a great store of useful knowledge and information on private equities, the demands of end fund raisers and end fund managers can be cultivated and thus the inactive markets can be stimulated.

Next, additional advantages for end fund managers in the embodiment are as follows:

First, they are released from dual credit risks. That is, in a conventional structure in which end fund managers supply funds to banks through deposits, savings, purchase of bank debentures and/or the like and then the banks supply the funds to end fund raisers through lending the funds to the end fund raisers, purchasing bonds, commercial papers or the like issued by the end fund raisers, and/or the like, the end fund managers are exposed to dual credit risks. One is a credit risk in the banks for which the end fund managers directly supply the funds, and the other is a credit risk in the end fund raisers for which the end fund managers indirectly supply the funds through the banks. In Japan, in accordance with the amendment to the deposit insurance system that will take effect as from April 2001, the maximum insurance payment by the government will be limited to a principal amount of 10 million yen per person and thus the credit risks in banks for which end fund managers directly supply funds will be increased. In the invention, since funds are supplied from end fund managers to end fund raisers, the end fund managers are released from the credit risks in intermediating banks.

Also, individual end fund managers can fully participate in interest rate products. That is, since most interest rate products for individual end fund managers have conventionally been deposits and savings, the individual end fund managers have had little knowledge of credit risks that all interest rate products essentially have, and of bonds the prices of which affect yields on investment. Although debenture-issuing banks such as long-term credit banks and bond-issuing non-financial corporations exemplify domestic fund raisers that use bond issuance, these fund raisers have discriminated in yields between bonds targeting institutions equipped with sufficient

knowledge thereof and bonds targeting individual end fund managers, and thus the individual end fund managers equipped with insufficient knowledge and information on the markets have been disadvantaged in many cases. Also, in a financial structure in which individuals have only indirectly participated in loans and/or commercial paper investments through intermediating banks, they have found it impossible to directly invest in these instruments. In the invention, by being provided with fund management agencies and/or fund management evaluators who have a great store of knowledge and information on interest rate products, individual end fund managers can make major investments in bonds and include in their fund management portfolios loan assets and/or commercial papers.

Also, neutrality can be provided for fund management agencies. That is, a structure in which end fund managers entrust their funds to fiduciaries such as trust accounts with trust banks, investment management companies, investment trust management companies and/or the like and then have them manage the funds, has been commonly known. These fiduciaries, however, have a strong tendency to be subsidiaries, associated companies or affiliated companies of securities companies or banks, and thus a market custom in which they are forced to purchase, directly or indirectly, securities handled by the securities companies and/or the banks engaged in underwriting and selling business, has been conventionally recognized. Since fund management agencies of the invention directly purchase securities issued by end fund raisers, not through securities companies or banks, they are freed from the conflict of interests arising between end fund managers and the securities companies or the banks, and thus enable the fund management purely in line with the viewpoint of the end fund managers.

Also, the quality of fund management evaluation can be improved. That is, although a structure in which pension consultants and/or the like give advice to investors, has been commonly known, the provision of the advice has mainly targeted institutional investors and has not been a real-time service. Fund management evaluators of the invention recommend to end fund managers, whether they are individuals or corporations, fund management agencies that are suited to their fund management policies,

compare the contents of the advice given by their fund management agencies, the performance of fund management effected by their commissioned fund management agencies, or that of fund management independently effected by themselves, with that of fund management effected by other end fund managers or other fund management agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund managers can realize higher yields on investment by commissioning the recommended fund management agencies to manage their funds and/or by applying the given evaluations to their future fund management.

Next, additional advantages for end fund raisers in the embodiment are as follows:

First, the provision of fund raising agencies decreases funding costs. That is, a stance in which securities companies and/or banks provide advice related to fund raising for end fund raisers in order to win a lead-management role in underwriting and selling business and/or to gain higher shares in underwriting and selling syndicates, has been conventionally recognized. This stance, however, in which the securities companies and/or the banks excessively pursue their own showings and underwriting and selling fees, makes it difficult to raise funds in sound markets. Also, since end fund raisers have insufficient knowledge and information on financial markets, in some cases, they have implicitly believed the advice of securities companies and/or banks and raised funds, and have been disadvantaged as a result. Since fund raising agencies of the invention execute fund raising purely from the viewpoint of end fund raisers, they can optimize the methods and timings of transactions and decrease their funding costs as a result.

Also, the provision of fund raising evaluators decreases funding costs. That is, an entity that comprehensively evaluates fund raising effected by end fund raisers has not existed previously. Fund raising evaluators of the invention recommend to end fund raisers, fund raising agencies that are suited to their fund raising policies, compare the contents of the advice given by their fund raising agencies, the performance of fund raising effected by their commissioned fund raising agencies, or that of fund raising

independently effected by themselves, with that of fund raising effected by other end fund raisers or other fund raising agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund raisers can attain lower funding costs by commissioning the recommended fund raising agencies to raise their funds and/or by applying the given evaluations to their future fund raising.

Next, FIGS. 3 and 4 are diagrams that illustrate transactions between end fund managers in the invention.

First, the case of general trading in the secondary markets will be described. That is, the site operator 1 entitles the end fund managers 2, fund management agencies 3, fund management evaluators 4, and/or providers of fund management reference data 5 who desire to use the service. On the homepage, by financial instrument, sections for loan assets 14, bonds 11, equities 12, commercial papers 13 and/or the like are then established. The users of the service can effect transmission and receipt of data, communication, consultation, market transactions, contract confirmations, settlements and/or the like on the site.

Next, using portable document format (PDF) files, electronic mail and/or the like, the providers of fund management reference data 5 begin to send the reference data in real time to the end fund managers 2 and the fund management agencies 3. On the other hand, the site operator 1 begins to display the current market levels and transaction volumes of various financial transactions, and their histories in real time in the appropriate sections by financial instrument. Based on these various data and market level figures, the end fund managers 2 and/or the fund management agencies 3 keep track of the levels of interest rates and equity prices, and wait for opportunities for their participation in market transactions.

Additionally, as used in the invention, the term ‘market levels’ means contractual prices, indicative prices or theoretical prices of various financial instruments, fixed or provisional terms of secondary offerings or fund raising, and/or the like including market levels provided by financial transaction systems not within the scope of the invention, banks, and/or securities

companies.

The end fund managers 2 select fund management evaluators 4 based on profile data, evaluation fee scales, and/or the like recorded in databases provided by the site operator 1 and/or others. Next, the fund management evaluators 4 selected by the end fund managers 2 introduce fund management agencies 3 that are suited to the fund management policies and objectives of the end fund managers 2, to the end fund managers 2, based on 'past fund management performance,' 'data on comparison with other fund management agencies,' 'data on comparison between performance of market indices and that of fund management,' 'agency fee scales,' and/or the like. Fund management evaluators 4 can format said data into a database form to make these data available on a site that can be searched by end fund managers 2. End fund managers 2 require the fund management agencies 3 commissioned to undertake their transactions to provide the fund management evaluators 4 with reports on the performance of fund management on a regular basis to allow the fund management evaluators 4 to easily prepare various data to provide for the end fund managers 2.

Additionally, when end fund managers 2 independently participate in transactions as well, they can request evaluation of their fund management by fund management evaluators 4. Also, the fund management evaluators 4 can provide the end fund managers 2 with software and/or other tools on the site for evaluation of their fund management.

Next, end fund managers 2 that have received introductions to fund management agencies 3 from fund management evaluators 4, decide whether to delegate transactions to the introduced fund management agencies 3, or independently participate in transactions while receiving only the advice of the fund management agencies 3. Agency agreements that end fund managers 2 conclude with fund management agencies 3 may target specific fund management, or commission all fund management during the agency agreement period, determining the commissioned amounts. Also, end fund managers 2 can designate a plurality of fund management agencies 3, and fund management agencies 3 can be commissioned as transaction agencies by a plurality of end fund managers 2. Fund management agencies

3 can aggregate and pool the fund management demands of end fund managers 2 with compatible fund management policies and objectives, and be delegated the fund management pool by pool.

Also, using foreign or domestic trust accounts and/or various other funds, fund management agencies 3 can separate the funds commissioned by end fund managers 2 from their own credit risks.

Next, end fund managers 2 or fund management agencies 3 transfer the funds to manage or margin requirements, to the site operator 1. The operator 1 maintains custody of these funds in separate accounts for end fund managers 2 or fund management agencies 3. Also, it opens accounts on the site for end fund raisers 6 or fund raising agencies 7 as well on which they pay interest, dividends and/or principal to end fund managers 2 or fund management agencies 3 until maturity.

Next, when end fund managers 2 or fund management agencies 3 decide to buy or sell specific financial instruments, they transmit to the operator 1 limit orders (specification of trading volumes, and particular prices or yields) or orders without limits (specification of trading volumes, but non-specification of prices or yields). The operator 1 uses matching functions of the site to prioritize orders without limits, limit orders for buying that favor the sellers, limit orders for selling that favor the buyers, and orders transmitted earlier, and to automatically allocate amounts or number of shares to the buyers or the sellers. Additionally, trading may or may not be effected, depending on the supply-demand balance of relevant financial instruments at specific moments.

The site operator 1 can invite end fund managers 2 or fund management agencies 3, with compatible fund management policies and objectives, and then operate simultaneous collective fund management by those plural end fund managers 2 and/or fund management agencies 3. The site operator 1 may also execute this simultaneous collective fund management in response to requests from plural, specific end fund managers 2 or fund management agencies 3. Also, this simultaneous collective fund management may target specific management of financial instruments, or all fund management

within a specified period.

At the point when transactions are effected between the buyers and the sellers, the site operator 1 confirms contracts with both sides, and contract amounts are subsequently transferred from the accounts of the buyers to the accounts of the sellers through inter-account transfers on the site. Additionally, the contract amounts of loan assets and bonds adjust the accrued interest payable by the buyers to the sellers. With reference to trading of loan assets, the operator 1 prepares agreements and the like under which the sellers assign their claims to the buyers, and both the buyers and the sellers seal or sign these documents. The operator 1 takes custody of equities, bonds, commercial papers and/or other certificates on their own responsibility, and effects delivery from the sellers to the buyers through inter-account transfer processing. Therefore, there is no physical delivery or receipt of the certificates between end fund managers 2.

Additionally, using the site, end fund managers 2 and/or fund management agencies 3 can lend securities that they hold to other end fund managers 2 and/or other fund management agencies 3.

Next, the site operator 1 performs administration of the following items and/or the like after conclusion of the trading contracts.

(a) With reference to the trading, it inspects end fund managers 2 and/or fund management agencies 3 to determine whether there is proper compliance with laws, regulations and/or internal company rules, filing of transaction reports with authorities, disclosure of information to the general public, and/or the like respectively. Also, the site operator 1 files its own reports with authorities and/or discloses information to the general public as necessary.

(b) With reference to the trading, it provides software and/or other tools that can be used in risk management and/or profit and loss management on the site to end fund managers 2 and/or fund management agencies 3.

(c) It effects payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to end fund managers 2 or fund management agencies 3 through inter-account transfers on the site. Also, the operator 1 can effect payment of line charges, service charges,

advertisement fees, information subscription fees, various evaluations fees, various agency fees, and/or the like through inter-account transfers between the parties on the site.

(d) It executes administrative procedures for the various exercise of rights by end fund managers 2 or fund management agencies 3, and/or end fund raisers 6 or fund raising agencies 7 such as premature repayment of loans, premature redemption of bonds or commercial papers, interest rate changes for loans or bonds before maturity, stock split-ups, exercise of voting and other shareholder's rights, exercise of rights to convert convertible bonds to equities, and exercise of rights of bonds with warrants to purchase equities.

(e) If the creditworthiness of end fund raisers 6 or fund raising agencies 7 regarding loans, bonds, commercial papers and/or the like declines substantially before maturity, or end fund raisers 6 or fund raising agencies 7 cannot pay interest and principal before or at maturity resulting in default, it fulfills a guidance role in the preservation and recovery of credits and/or in the institution of legal proceedings on behalf of the creditors (end fund managers 2 or fund management agencies 3) at that point in time.

FIG. 5 is a diagram that illustrates transactions between end fund managers in the invention in the case of secondary offerings.

The site operator 1 entitles the end fund managers 2, fund management agencies 3, fund management evaluators 4, and/or providers of fund management reference data 5 who desire to use the service. On the homepage, by financial instrument, sections for loan assets 14, bonds 11, equities 12, commercial papers 13 and/or the like are then established. The users of the service can effect transmission and receipt of data, communication, consultation, market transactions, contract confirmations, settlements and/or the like on the site.

Next, using portable document format (PDF) files, electronic mail and/or the like, the providers of fund management reference data 5 begin to send the reference data in real time to the end fund managers 2 and the fund management agencies 3. On the other hand, the site operator 1 begins to display the current market levels and transaction volumes of various financial transactions, and their histories in real time in the appropriate

sections by financial instrument. Based on these various data and market level figures, the end fund managers 2 and/or the fund management agencies 3 keep track of the levels of interest rates and equity prices, and wait for opportunities for their participation in market transactions.

Additionally, as used in the invention, the term 'market levels' means fixed or provisional terms of other secondary offerings, contractual prices, indicative prices or theoretical prices of various financial instruments, fixed or provisional terms of fund raising, and/or the like including market levels provided by financial transaction systems not within the scope of the invention, banks, and/or securities companies.

The end fund managers 2 select fund management evaluators 4 based on profile data, evaluation fee scales, and/or the like recorded in databases provided by the site operator 1 and/or others. Next, the fund management evaluators 4 selected by the end fund managers 2 introduce fund management agencies 3 that are suited to the fund management policies and objectives of the end fund managers 2, to the end fund managers 2, based on 'past fund management performance,' 'data on comparison with other fund management agencies,' 'data on comparison between performance of market indices and that of fund management,' 'agency fee scales,' and/or the like. Fund management evaluators 4 can format said data into a database form to make these data available on a site that can be searched by end fund managers 2. End fund managers 2 require the fund management agencies 3 commissioned to undertake their transactions to provide the fund management evaluators 4 with reports on the performance of fund management on a regular basis to allow the fund management evaluators 4 to easily prepare various data to provide for the end fund managers 2.

Additionally, when end fund managers 2 independently participate in transactions as well, they can request evaluation of their fund management by fund management evaluators 4. Also, the fund management evaluators 4 can provide the end fund managers 2 with software and/or other tools on the site for evaluation of their fund management.

Next, end fund managers 2 that have received introductions to fund

management agencies 3 from fund management evaluators 4, decide whether to delegate transactions to the introduced fund management agencies 3, or independently participate in transactions while receiving only the advice of the fund management agencies 3. Agency agreements that end fund managers 2 conclude with fund management agencies 3 may target specific fund management, or commission all fund management during the agency agreement period, determining the commissioned amounts. Also, end fund managers 2 can designate a plurality of fund management agencies 3, and fund management agencies 3 can be commissioned as transaction agencies by a plurality of end fund managers 2. Fund management agencies 3 can aggregate and pool the fund management demands of end fund managers 2 with compatible fund management policies and objectives, and be delegated the fund management pool by pool.

Also, using foreign or domestic trust accounts and/or various other funds, fund management agencies 3 can separate the funds commissioned by end fund managers 2 from their own credit risks.

Next, end fund managers 2 or fund management agencies 3 transfer the funds to manage or margin requirements, to the site operator 1. The operator 1 maintains custody of these funds in separate accounts for end fund managers 2 or fund management agencies 3. Also, it opens accounts on the site for end fund raisers 6 or fund raising agencies 7 as well on which they pay interest, dividends and/or principal to end fund managers 2 or fund management agencies 3 until maturity.

Next, end fund managers (hereinafter referred to as 'selling holders 15,' differentiated from other end fund managers) or their commissioned fund management agencies (hereinafter referred to as 'secondary offering agencies 16,' differentiated from other fund management agencies) who have decided to effect secondary offerings, gauge the timing of market changes and then convey to the site operator 1 outlines of the desired secondary offerings including names of issues, amounts to offer, number of shares to offer, time to maturity, and existence of collateral or guarantors, and/or the like. The operator 1 notifies end fund managers 2 and fund management agencies 3 of this information in the appropriate sections by financial

instrument on the homepage such as loan assets 14, bonds 11, equities 12 and/or commercial papers 13. As provisional terms on the homepage, it lists prices, discount ratios, upper or lower limits of yields or yield spreads, and/or the like that the selling holders 15 or the secondary offering agencies 16 require.

Next, if end fund managers 2 or fund management agencies 3 are interested in the outlines and the provisional terms of these secondary offerings, referring to the provisional terms, they transmit to the operator 1 limit orders (specification of buying volumes, particular prices, discount ratios, yields or yield spreads, and the like) or orders without limits (specification of buying volumes, but non-specification of terms). The operator 1 uses matching functions of the site to prioritize orders without limits, limit orders for provisional terms that favor the selling holders, and orders transmitted earlier, and to automatically allocate amounts or number of shares to end fund managers 2 or fund management agencies 3. Where the result of this real time matching operation causes the amounts to be offered or the number of the shares to be offered to fall short of the initially planned figures, then the secondary offering ends at this point if the selling holders 15 or the secondary offering agencies 16 compromise on the contracted amounts or number of shares. If there is not a compromise on insufficient amounts or number of shares to be offered, it somewhat shifts the provisional terms to favor the end fund managers 2 and then solicit limit orders and orders without limits, again from end fund managers 2 or fund management agencies 3. Additionally, secondary offerings may or may not be effected, depending on the supply-demand balance at specific moments.

The site operator 1 can invite end fund managers 2 or fund management agencies 3, with compatible fund management policies and objectives, and then operate simultaneous collective buying by those plural end fund managers 2 and/or fund management agencies 3. The site operator 1 may also execute this simultaneous collective buying in response to requests from plural, specific end fund managers 2 or fund management agencies 3.

The site operator 1 can invite selling holders 15 or secondary offering agencies 16, with compatible secondary offering policies and objectives, and

then operate simultaneous collective secondary offerings of a plurality of issues by those plural selling holders 15 and/or secondary offering agencies 16. The site operator 1 may also execute these simultaneous collective secondary offerings in response to requests from plural, specific selling holders 15 or secondary offering agencies 16. Also, these simultaneous collective secondary offerings may target specific secondary offerings of financial instruments, or all secondary offerings within a specified period. The main financial instruments for which simultaneous collective secondary offerings can be effected are as follows.

(a) Simultaneous collective secondary offerings of a plurality of loan assets, a plurality of bonds, a plurality of commercial papers, and/or the like with similar current credit risks and similar outlooks for future credit risks.

(b) Simultaneous collective secondary offerings of a plurality of equities and/or the like with similar current levels of equity prices and similar outlooks for future levels of equity prices.

(c) Simultaneous collective secondary offerings of a plurality of convertible bonds, a plurality of bonds with equity subscription warrants, and/or the like with similar current credit risks and similar outlooks for future credit risks, and similar current levels of equity prices and similar outlooks for future levels of equity prices.

At the point when transactions are effected between the end fund managers 2 or the fund management agencies 3 and the selling holders 15 or the secondary offering agencies 16, the site operator 1 confirms contracts with both the fund management side and the secondary offering side, and contract amounts are subsequently transferred from the accounts of the end fund managers 2 or the fund management agencies 3 to the accounts of the selling holders 15 or the secondary offering agencies 16 through inter-account transfers on the site. Additionally, the contract amounts of loan assets and bonds adjust the accrued interest payable by the fund management side to the secondary offering side. With reference to loan assets, the operator 1 prepares agreements and the like under which the secondary offering side assigns its claims to the fund management side, and both the fund management side and the secondary offering side seal or sign these documents. The operator 1 takes custody of bonds 11, equities 12, commercial papers 13 and/or other certificates on their own responsibility,

and effects delivery from the secondary offering side to the fund management side through inter-account transfer processing. Therefore, there is no physical delivery or receipt of the certificates between the fund management side and the secondary offering side.

Additionally, using the site, end fund managers 2 and/or fund management agencies 3 can lend securities that they hold to other end fund managers 2 and/or other fund management agencies 3.

Next, the site operator 1 performs administration of the following items and/or the like after conclusion of the secondary offering agreements.

(a) With reference to the secondary offering, it inspects end fund managers 2, fund management agencies 3, selling holders 15 and/or secondary offering agencies 16 to determine whether there is proper compliance with laws, regulations and/or internal company rules, filing of transaction reports with authorities, disclosure of information to the general public, and/or the like respectively. Also, the site operator 1 files its own reports with authorities and/or discloses information to the general public as necessary.

(b) With reference to the secondary offering, it provides software and/or other tools that can be used in risk management and/or profit and loss management on the site to end fund managers 2, fund management agencies 3, selling holders 15 and/or secondary offering agencies 16.

(c) It effects payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to end fund managers 2 or fund management agencies 3 through inter-account transfers on the site. Also, the operator 1 can effect payment of line charges, service charges, advertisement fees, information subscription fees, various evaluations fees, various agency fees, and/or the like through inter-account transfers between the parties on the site.

(d) It executes administrative procedures for the various exercise of rights by end fund managers 2 or fund management agencies 3, and/or end fund raisers 6 or fund raising agencies 7 such as premature repayment of loans, premature redemption of bonds or commercial papers, interest rate changes for loans or bonds before maturity, stock split-ups, exercise of voting and other shareholder's rights, exercise of rights to convert convertible bonds to equities, and exercise of rights of bonds with warrants to purchase equities.

(e) If the creditworthiness of end fund raisers 6 or fund raising agencies 7 regarding loans, bonds, commercial papers and/or the like declines substantially before maturity, or end fund raisers 6 or fund raising agencies 7 cannot pay interest and principal before or at maturity resulting in default, it fulfills a guidance role in the preservation and recovery of credits and/or in the institution of legal proceedings on behalf of the creditors (end fund managers 2 or fund management agencies 3) at that point in time.

Also, transactions between end fund managers 2 can be effected simultaneously with transactions between end fund managers 2 and end fund raisers 6. For example, an end fund raiser 6 issuing bonds in the latter transaction can purchase loan assets as an end fund manager 2 in the former transaction to earn profit margins through a difference between the funding cost and the yield on investment.

Next, the flow of funds and fee collection mechanism in the embodiment is explained.

FIG. 4 is an embodiment in the case of general trading in the secondary markets.

In the diagram, ① is payment of purchase amounts from end fund managers 2 (buyers) or fund management agencies 3 (buyers) to end fund managers 2 (sellers) or fund management agencies 3 (sellers).

② is payment of line charges, service charges, advertisement fees (banner ads and pop-up ads displayed on the homepage), and/or the like from users to the site operator 1.

③ is payment of information subscription fees from end fund managers 2 and fund management agencies 3 to providers of fund management reference data 5.

④ is payment of fund management evaluation fees from end fund managers 2 to fund management evaluators 4.

⑤ is payment of fund management agency fees from end fund managers 2 to fund management agencies 3.

⑥ is payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to holders (end fund managers 2 or fund

management agencies 3) of specific points in time.

FIG. 6 is an embodiment in the case of secondary offerings.

In the diagram, ① is payment of purchase amounts from end fund managers 2 (buyers) or fund management agencies 3 (buyers) to selling holders 15 or secondary offering agencies 16.
② is payment of line charges, service charges, advertisement fees (banner ads and pop-up ads displayed on the homepage), and/or the like from users to the site operator 1.
③ is payment of information subscription fees from end fund managers 2, fund management agencies 3, selling holders 15, secondary offering agencies 16 to providers of fund management reference data 5.
④ is payment of fund management evaluation fees from end fund managers 2 and selling holders 15 to fund management evaluators 4.
⑤ is payment of fund management agency fees from end fund managers 2 to fund management agencies 3.
⑥ is payment of secondary offering agency fees from selling holders 15 to secondary offering agencies 16.
⑦ is payment of interest, dividends and/or principal from end fund raisers 6 or fund raising agencies 7 to holders (end fund managers 2 or fund management agencies 3) of specific points in time.

Advantages for end fund managers in the embodiment are as follows:

First, end fund managers are freed from any conflict of interests arising between brokerage and proprietary trading. That is, securities companies and banks conduct both brokerage business for end fund managers (with the object of gaining brokerage fees) and proprietary trading business by use of proprietary funds (with the object of gaining trading profits). Therefore, a conflict of interests structure in which a securities company and/or a bank, in order to gain a large trading profit by use of proprietary funds, causes an end fund manager to trade with it as its counterparty under disadvantageous conditions, and/or completes trading by use of proprietary funds on a front-running basis on the assumption that an end fund manager would read fund management reference data provided by it and then would

conduct trading, has been conventionally recognized. In the invention, since an end fund manager trades financial instruments not through a securities company or a bank but with other end fund managers, the end fund manager is freed from this conflict of interests and thus can enjoy higher yields on investment.

Also, yields on investment can be increased by the elimination of brokerage fees. That is, in a conventional structure in which an end fund manager trades equities, bonds and/or commercial papers through a securities company and/or a bank, since the intermediating securities company and/or bank collects brokerage fees, or the securities company and/or bank virtually collects equivalents of brokerage fees through its proprietary trading with the end fund manager, the end fund manager suffers a decrease of yields on investment. In the invention, since end fund managers trade financial instruments with other end fund managers, brokerage fees payable directly or indirectly to intermediating securities companies and/or banks are eliminated, and thus the end fund managers can enjoy higher yields on investment.

Also, neutrality can be provided for information by independent data providers. That is, a stance in which securities companies and/or banks, in order to increase brokerage fees, which are sources their income, provide fund management reference data for end fund managers so that the end fund managers trade financial instruments more frequently, has been conventionally recognized, and yet the stance makes it difficult for the end fund managers to realize optimum fund management. Since providers of fund management reference data of the invention supply the data from the viewpoint of end fund managers, they do not prompt the end fund managers to buy or sell financial instruments in market environments where making profits through the trades is difficult.

Also, individual end fund managers can fully participate in interest rate products. That is, since most interest rate products for individual end fund managers have conventionally been deposits and savings, the individual end fund managers have had little knowledge of credit risks that all interest rate products essentially have, and of bonds the prices of which affect yields on

investment. Although some individual end fund managers have experience in the secondary markets, of purchasing bank debentures issued by long-term credit banks and the like and/or bonds targeting individual end fund managers issued by non-financial corporations, since they have insufficient information on the interest rate markets, they have held these bonds until maturity as alternatives to time deposits in many cases and have suffered opportunity costs as a result of not selling them before maturity despite rises of the markets. In the invention, by being provided with fund management agencies and/or fund management evaluators who have a great store of knowledge and information on interest rate products, individual end fund managers can make major investments in bonds and include in their fund management portfolios loan assets and/or commercial papers that can also be regarded as types of bonds.

Also, transparency can be provided for over-the-counter transactions. That is, at present, securities exchanges in several countries are easing their surrender requirements for transactions on equities and subsequently are preparing environments in which fund managers can effect the transactions on an over-the-counter basis beyond the barriers of national borders and/or the confines of session hours. On the other hand, loan assets, bonds and commercial papers have been conventionally traded mainly on an over-the-counter basis, and thus have been rarely traded in securities exchanges. If the over-the-counter transactions continue to increase, however, transparency of the markets decreases and thus the phenomenon of 'many prices for a single product,' in which contract prices and/or contract yields differ between market A and market B even at the same point in time, occurs and disadvantages some end fund managers. Also, the phenomenon of 'many prices for a single product' at the same point in time generates inconvenience in some instances such as when financial products being held are marked to market. Since the invention can concentrate domestic and overseas transactions in the site and cover the transactions 24 hours a day, it can easily display current market levels and/or transaction volumes of various financial instruments showing their current status, and thus can provide transparency for the markets.

Also, the trading of illiquid securities can be stimulated. That is, in practice,

bonds and commercial papers issued by various non-financial corporations and equities issued by small-to-medium-sized and private companies show low liquidity, and thus end fund managers find it difficult to actively trade them in the secondary markets. This is partly because these securities have offered insufficient profit-making opportunities to securities companies and/or banks that act as intermediaries in such trading, and thus the intermediaries have failed to make adequate efforts to seek out end fund managers willing to buy and end fund managers willing to sell such securities. In the invention, since the site operator and/or the like displays theoretical prices and/or theoretical yields of illiquid securities, and has fund management agencies and/or fund management evaluators provide a great store of useful knowledge and information on illiquid securities, the demands of end fund managers willing to buy and end fund managers willing to sell such securities can be cultivated and thus liquidity can be provided for the inactive trading markets.

Also, fund management opportunities in the secondary markets for loan assets can be provided. That is, if fund managers execute loans to end fund raisers, repayment of the loan amounts do not normally end until maturity, and yet the fund managers may find it necessary to sell the loan assets before maturity for reasons of business strategy, cash flows and/or the like. Since end fund raisers with relatively low creditworthiness have a strong tendency to borrow funds not by bond issuance requiring credit ratings but by loans, once the loan assets are equipped with prices and yields in the secondary markets before maturity like those of bonds, the loan assets start afresh as financial instruments attractive to other end fund managers. The invention provides end fund managers with secondary markets for loan assets in which they can enjoy higher yields on investment.

Also, end fund managers can enjoy the convenience of simultaneous collective fund management. That is, there has been negligible communication among fund managers in the conventional fund management (including secondary offerings) in the secondary markets, and there has been no simultaneous collective fund management (including simultaneous collective secondary offerings) effected by a plurality of fund managers except those of a plurality of staff members within a single fund

manager or those of a plurality of selling holders in a single name of issue. In the invention, end fund managers and/or fund management agencies can improve yields on investment by keeping step with partners in simultaneous collective fund management, i.e. other end fund managers and/or fund management agencies with compatible fund management policies and objectives and thus by increasing the managed amounts.

Also, neutrality can be provided for fund management agencies. That is, a structure in which end fund managers entrust their funds to fiduciaries such as trust accounts with trust banks, investment management companies, investment trust management companies and/or the like and then have them manage the funds, has been commonly known. These fiduciaries, however, have a strong tendency to be subsidiaries, associated companies or affiliated companies of securities companies or banks, and thus a market custom in which they are forced to purchase, directly or indirectly, securities handled by the securities companies and/or the banks engaged in underwriting and selling business, has been conventionally recognized. Since fund management agencies of the invention directly purchase securities issued by end fund raisers, not through securities companies or banks, they are freed from the conflict of interests arising between end fund managers and the securities companies or the banks, and thus enable the fund management purely in line with the viewpoint of the end fund managers.

Also, the quality of fund management evaluation can be improved. That is, although a structure in which pension consultants and/or the like give advice to investors, has been commonly known, the provision of the advice has mainly targeted institutional investors and has not been a real-time service. Fund management evaluators of the invention recommend to end fund managers, whether they are individuals or corporations, fund management agencies that are suited to their fund management policies, compare the contents of the advice given by their fund management agencies, the performance of fund management effected by their commissioned fund management agencies, or that of fund management independently effected by themselves, with that of fund management effected by other end fund managers or other fund management agencies, that of market indices,

and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund managers can realize higher yields on investment by commissioning the recommended fund management agencies to manage their funds and/or by applying the given evaluations to their future fund management.

Next, FIGS. 7 and 8 are diagrams that illustrate transactions between end fund transactors in the invention.

First, the site operator 1 entitles the end fund transactors 17, fund transaction agencies 18, fund transaction evaluators 19, and/or providers of fund transaction proposal data 20 who desire to use the service. On the homepage, by financial instrument, sections for various foreign exchange products 21, various interest rate derivative products 22, various equity derivative products 23, other hybrid derivative products 24 and/or the like are then established. The users of the service can effect transmission and receipt of data, communication, consultation, market transactions, contract confirmations, settlements and/or the like on the site.

Next, using portable document format (PDF) files, electronic mail and/or the like, the providers of fund transaction proposal data 20 begin to send the proposal data in real time to the end fund transactors 17 and the fund transaction agencies 18. On the other hand, the site operator 1 begins to display the current market levels and transaction volumes of various financial transactions, and their histories in real time in the appropriate sections by financial instrument. Based on these various data and market level figures, the end fund transactors 17 and/or the fund transaction agencies 18 keep track of the levels of foreign exchange markets and/or financial derivative markets, and wait for opportunities for their participation in market transactions.

Additionally, as used in the invention, the term ‘market levels’ means contractual prices, indicative prices or theoretical prices of various foreign exchange products, various financial derivative products or various cash products, fixed or provisional terms of fund raising or secondary offerings, and/or the like including market levels provided by financial transaction

systems not within the scope of the invention, banks, and/or securities companies.

The end fund transactors 17 select fund transaction evaluators 19 based on profile data, evaluation fee scales, and/or the like recorded in databases provided by the site operator 1 and/or others.

Next, the fund transaction evaluators 19 selected by the end fund transactors 17 introduce fund transaction agencies 18 that are suited to the fund transaction policies and objectives of the end fund transactors 17, to the end fund transactors 17, based on 'past fund transaction performance,' 'data on comparison with other fund transaction agencies,' 'data on comparison between performance of market indices and that of fund transactions,' 'agency fee scales,' and/or the like. Fund transaction evaluators 19 can format said data into a database form to make these data available on a site that can be searched by end fund transactors 17. End fund transactors 17 require the fund transaction agencies 18 commissioned to undertake their transactions to provide the fund transaction evaluators 19 with reports on the performance of fund transactions on a regular basis to allow the fund transaction evaluators 19 to easily prepare various data to provide for the end fund transactors 17.

Additionally, when end fund transactors 17 independently participate in transactions as well, they can request evaluation of their fund transactions by fund transaction evaluators 19. Also, the fund transaction evaluators 19 can provide the end fund transactors 17 with software and/or other tools on the site for evaluation of their fund transactions.

Next, end fund transactors 17 that have received introductions to fund transaction agencies 18 from fund transaction evaluators 19, decide whether to delegate transactions to the introduced fund transaction agencies 18, or independently participate in transactions while receiving only the advice of the fund transaction agencies 18. Agency agreements that end fund transactors 17 conclude with fund transaction agencies 18 may target specific fund transactions, or commission all fund transactions during the agency agreement period, determining the commissioned amounts. Also, end

fund transactors 17 can designate a plurality of fund transaction agencies 18, and fund transaction agencies 18 can be commissioned as transaction agencies by a plurality of end fund transactors 17. Fund transaction agencies 18 can aggregate and pool the fund transaction demands of end fund transactors 17 with similar credit worthiness and/or with compatible fund transaction policies and objectives, and be delegated the fund transactions pool by pool. Also, using foreign or domestic trust accounts and/or various other funds, fund transaction agencies 18 can separate the funds commissioned by end fund transactors 17 from their own credit risks.

Next, end fund transactors 17 or fund transaction agencies 18 transfer the funds to transact or margin requirements, to the site operator 1. The operator 1 maintains custody of these funds in separate accounts for end fund transactors 17 or fund transaction agencies 18. If end fund transactors 17 and/or fund transaction agencies 18 have low creditworthiness, the operator 1 has the end fund transactors 17 and/or the fund transaction agencies 18 produce collateral or guarantors so as to minimize their credit risks.

Next, when end fund transactors 17 or fund transaction agencies 18 decide to buy or sell specific financial instruments, or to enter into contracts for specific financial instruments, they transmit to the operator 1 limit orders (specification of transaction volumes, particular prices, interest rates, yields, yield spreads or foreign exchange rates, and the like) or orders without limits (specification of transaction volumes and the like, but non-specification of particular prices, interest rates, yields, yield spreads or foreign exchange rates, or the like). The operator 1 uses matching functions of the site to prioritize orders without limits, limit orders that favor the counterparties, and orders transmitted earlier, and to automatically allocate amounts or number of contracts to the end fund transactors 17. Additionally, transactions may or may not be effected, depending on the supply-demand balance of relevant financial instruments at specific moments.

Next, because the liquidity of financial derivative products tends to decrease as the complexity of their structures increases, the site operator 1 enhances the liquidity of products through engineering as described below.

① It treats forex spot products and various futures products with high liquidity as standardized products, and has them traded by end fund transactors 17.
② Adjusting disagreements in measures and cash flows of the standardized products (price basis vs. interest rate basis, simple interest basis vs. compound interest basis, semi-annually compound yield vs. annually compound yield, advance payment basis vs. deferred payment basis, and/or the like), the operator 1 creates, through synthesis processing, various option products, various forward products and/or the like, and has them traded by end fund transactors 17.
③ Next, through further synthesis processing of such hybrid products, the operator 1 creates further complicated products such as various swap products, various cap products, various futures option products and/or the like, and has them traded by end fund transactors 17.
④ Among the above hybrid products, some products may gain high liquidity depending on market conditions or popularity at specific times, and be virtually upgraded to standardized products.
⑤ The operator 1 unbundles hybrid products that are losing their liquidity and returns them to a state closer to standardized products again, and has them traded by end fund transactors 17.
⑥ In responding to a buying order for a complicated product, the operator 1 bundles and synthesizes selling orders of a plurality of standardized products and matches them against said buying order (single buying vs. multiple selling). On the other hand, in responding to a selling order of a complicated product, the operator 1 resolves it and then solicits buying orders for the individual unbundled products (multiple buying vs. single selling).

The site operator 1 can invite end fund transactors 17 or fund transaction agencies 18, with similar credit worthiness and/or with compatible fund transaction policies and objectives, and then operate simultaneous collective fund transactions by those plural end fund transactors 17 and/or fund transaction agencies 18. The site operator 1 may also execute these simultaneous collective fund transactions in response to requests from plural, specific end fund transactors 17 or fund transaction agencies 18. Also, these simultaneous collective fund transactions may target specific

transactions of financial instruments, or all fund transactions within a specified period.

At the point when transactions are effected between the buyers and the sellers, the site operator 1 confirms contracts with both sides, and contract amounts, the accrued interest and/or the like of which has been adjusted, are subsequently transferred from the accounts of the buyers to the accounts of the sellers through inter-account transfers on the site. Also, with reference to various fund transactions, the operator 1 prepares agreements and both sides seal or sign these documents.

Next, the site operator 1 performs administration of the following items and/or the like after conclusion the transaction contracts.

(a) With reference to the transactions, it inspects end fund transactors 17 and/or fund transaction agencies 18 to determine whether there is proper compliance with laws, regulations and/or internal company rules, filing of transaction reports with authorities, disclosure of information to the general public, and/or the like respectively. Also, the site operator 1 files its own reports with authorities and/or discloses information to the general public as necessary.

(b) With reference to the transactions, it provides software and/or other tools that can be used in risk management and/or profit and loss management on the site to end fund transactors 17 and/or fund transaction agencies 18.

(c) It effects payment and receipt of interest and principal between end fund transactors 17 or fund transaction agencies 18 and their counterparties, net settlement after end fund transactors 17 or fund transaction agencies 18 have conducted closing transactions, and/or the like via inter-account transfers on the site. Also, the operator 1 can effect payment of line charges, service charges, advertisement fees, information subscription fees, various evaluations fees, various agency fees, and/or the like through inter-account transfers between the parties on the site.

(d) When buyers of financial instruments exercise their rights, it executes administrative procedures required to effect the transactions between the buyers and the sellers.

(e) It executes administrative procedures arising from cancellations of contracts or assignments of contracts to third parties by end fund

transactors 17 or fund transaction agencies 18.

(f) If the creditworthiness of end fund transactors 17 or fund transaction agencies 18 declines during periods from the conclusion of transactions till the completion of settlement thereof by closing transactions, the buyers' exercise of rights or the like, or during contract periods of transactions entered into, the operator 1 minimizes credit risks by collecting additional margins from the end fund transactors 17 or the fund transaction agencies 18, and/or by securing additional collateral or additional guarantors. If, notwithstanding this, the end fund transactors 17 or the fund transaction agencies 18 fall into default, it fulfills a guidance role in the preservation and recovery of credits and/or in the institution of legal proceedings on behalf of their counterparties.

Also, transactions between end fund transactors 17 can be effected simultaneously with transactions between end fund managers 2 and end fund raisers 6. For example, an end fund raiser 6 raising a fund with a fixed interest rate in the latter transaction can participate in a swap transaction of the former transaction as an end fund transactor 17 to change the funding rate into a floating interest rate.

Also, transactions between end fund transactors 17 can be effected simultaneously with transactions between end fund managers 2. For example, an end fund manager 2 buying securities denominated in a foreign currency in the latter transaction can participate in a foreign exchange transaction of the former transaction as an end fund transactor 17 to hedge against the foreign exchange risk of said securities.

Next, the flow of funds and fee collection mechanism in the embodiment is explained by FIG. 8.

In the diagram, ① is the flow of transaction amounts, interest and/or principal between end fund transactors 17 or fund transaction agencies 18 and other end fund transactors 17 or other fund transaction agencies 18.

② is payment of line charges, service charges, advertisement fees (banner ads and pop-up ads displayed on the homepage), and/or the like from users to the site operator 1.

③ is payment of information subscription fees from end fund transactors 17 and fund transaction agencies 18 to providers of fund transaction proposal data 20.
④ is payment of fund transaction evaluation fees from end fund transactors 17 to fund transaction evaluators 19.
⑤ is payment of fund transaction agency fees from end fund transactors 17 to fund transaction agencies 18.

Next, advantages for end fund transactors in the embodiment are as follows:

First, end fund transactors are freed from any conflict of interests arising between brokerage and proprietary transactions. That is, regarding transactions of foreign exchange products and/or financial derivative products, banks and securities companies conduct both brokerage and/or intermediation business for end fund transactors (with the object of gaining brokerage and/or intermediation fees) and proprietary transaction business by use of proprietary funds (with the object of gaining transaction profits). Therefore, a conflict of interests structure in which a bank and/or a securities company, in order to gain a large transaction profit by use of proprietary funds, causes an end fund transactor to transact with it as its counterparty under disadvantageous conditions, and/or completes a transaction by use of proprietary funds on a front-running basis on the assumption that an end fund transactor would read fund transaction proposal data provided by it and then would conduct a transaction, has been conventionally recognized. In the invention, since an end fund transactor transacts foreign exchange products and/or financial derivative products not through a bank or a securities company but with other end fund transactors, the end fund transactor is freed from this conflict of interests and thus can attain more transaction profits and/or more advantageous contract conditions.

Also, the elimination of brokerage and/or intermediation fees increases transaction profits and/or improves contract conditions. That is, in a conventional structure in which an end fund transactor transacts foreign exchange products and/or financial derivative products through a bank and/or a securities company, since the intermediating bank and/or securities

company collects brokerage and/or intermediation fees, or the bank and/or securities company virtually collects equivalents of brokerage and/or intermediation fees through its proprietary transactions with the end fund transactor, in some cases, the end fund transactor has no choice but to receive reduced transaction profits or to conclude disadvantageous transaction contracts. Above all, since end fund transactors find it hard to grasp market levels of financial derivative products that are transacted as hybrid products on an over-the-counter basis, cases in which banks and/or securities companies having concluded advantageous contracts with end fund transactors subsequently made undue profits in the inter-dealer markets, have been known. In the invention, since end fund transactors transact foreign exchange products and/or financial derivative products with other end fund transactors, brokerage and/or intermediation fees payable directly or indirectly to intermediating banks and/or securities companies are eliminated, and thus the end fund transactors can attain more transaction profits and/or more advantageous contract conditions.

Also, in accordance with the invention, neutrality can be provided for information by independent data providers. That is, a stance in which banks and/or securities companies, in order to increase brokerage and/or intermediation fees, which are sources of their income, provide fund transaction proposal data for end fund transactors so that the end fund transactors transact foreign exchange products and/or financial derivative products more frequently, has been conventionally recognized, and yet with such a stance, the end fund transactors cannot necessarily realize optimum fund transactions. Since providers of fund transaction proposal data of the invention supply the data from the viewpoint of end fund transactors, they do not prompt the end fund transactors to make transactions of or conclude contracts of financial instruments in market environments where making profits through the transactions is difficult.

Also, the transactions of illiquid financial derivative products can be stimulated. That is, financial derivative products transacted on an over-the-counter basis have a strong tendency to show low liquidity, and thus end fund transactors find it difficult to actively trade them in the secondary markets. This is partly because securing end fund transactors who can act as

counterparties for the products proves difficult since particular conditions such as amounts, contract periods, various exercisable rights, and/or the like required by the relevant fund transactors are reflected in the designs of the products. In the invention, since the site operator and/or the like performs, as appropriate, a process of bundling standardized products to create a tailor-made product and/or a process of unbundling a tailor-made product to restore the standardized products, the demands of end fund transactors willing to buy and end fund transactors willing to sell such products can be matched more easily and thus liquidity can be provided for the inactive financial derivative markets.

Also, individual end fund transactors can fully participate in foreign exchange products and/or financial derivative products. That is, since most financial instruments for individual end fund managers have conventionally been deposits, savings and/or equities whilst most financial instruments for individual end fund raisers have conventionally been borrowings, these individual end fund transactors have had insufficient knowledge and information on foreign exchange products and/or financial derivative products, and thus have suffered opportunity costs as a result. In the invention, by being provided with fund transaction agencies and/or fund transaction evaluators who have a great store of knowledge and information on foreign exchange products and/or financial derivative products, individuals can have a wider choice of financial instruments as the objects of their transactions, and thus can attain higher yields on investment and/or lower funding costs. In addition to simple trading, foreign exchange products and financial derivative products are instrumental in hedge transactions and/or arbitrage transactions, and thus individuals can achieve profits in various ways by combining the hedge or arbitrage transactions with financial assets that they currently hold or with liabilities that they currently have.

Also, transparency can be provided for over-the-counter transactions. That is, regarding foreign exchange products and/or financial derivative products, as their structures get more complicated, demands for over-the-counter transactions that are instrumental in creating tailor-made products increase, and thus the over-the-counter transactions have conventionally been more

prominent. If the over-the-counter transactions continue to increase, however, transparency of the markets decreases and thus the phenomenon of 'many prices for a single product,' in which contract prices, contract interest rates, contract yields, contract yield spreads and/or contract exchange rates differ between market A and market B even at the same point in time, occurs and disadvantages some end fund transactors. Also, the phenomenon of 'many prices for a single product' at the same point in time generates inconvenience in some instances such as when foreign exchange positions and/or financial derivative positions are marked to market. Since the invention can concentrate domestic and overseas transactions in the site and cover the transactions 24 hours a day, it can easily display current market levels and transaction volumes and/or the like of various financial instruments showing their current status, and thus can provide transparency for the markets.

Also, end fund transactors can enjoy the convenience of simultaneous collective fund transaction. That is, there has been negligible communication among end fund transactors in the conventional transactions of foreign exchange products and/or financial derivative products, and there has been no simultaneous collective fund transaction effected by a plurality of end fund transactors except those of a plurality of staff members within a single end fund transactor. In the invention, end fund transactors and/or fund transaction agencies can attain more transaction profits and/or more advantageous contract conditions by keeping step with partners in simultaneous collective fund transactions, i.e. other end fund transactors and/or fund transaction agencies with compatible fund transaction policies and objectives and thus by increasing the transacted amounts.

Also, the provision of fund transaction agencies increases transaction profits and/or improves contract conditions. That is, since end fund transactors have insufficient knowledge and information on foreign exchange markets and/or financial derivative markets, in many cases, they have implicitly believed the advice of securities companies and/or banks and transacted funds, and have been disadvantaged as a result. Since fund transaction agencies of the invention execute transactions of foreign exchange products and/or financial derivative products purely from the viewpoint of end fund

transactors, they can optimize the choices of products, methods and timings of transactions and/or the like, and bring end fund transactors more transaction profits and/or more advantageous contract conditions.

Also, the provision of fund transaction evaluators increases transaction profits and/or improves contract conditions. That is, an entity that comprehensively evaluates transactions of foreign exchange products and/or financial derivative products effected by end fund transactors has not existed previously. Fund transaction evaluators of the invention recommend to end fund transactors, fund transaction agencies that are suited to their fund transaction policies, compare the contents of the advice given by their fund transaction agencies, the performance of fund transactions effected by their commissioned fund transaction agencies, or that of fund transactions independently effected by themselves, with that of fund transactions effected by other end fund transactors or other fund transaction agencies, that of market indices, and/or the like, and then report the resulting evaluations to them on a real time basis. The end fund transactors can attain more transaction profits, more advantageous contract conditions and/or more effective hedge transactions by commissioning the recommended fund transaction agencies to transact their funds and/or by applying the given evaluations to their future fund transactions.

Next, various financial instruments illustrated in FIG. 7 shall be defined as follows:

The term 'foreign exchange product' shall include the following products:
(1) Forex spot transaction, i.e. trading of currencies at the current exchange rates.
(2) Forex forward transaction, i.e. a financial derivative product that trades currencies at future exchange rates.
(3) Currency futures transaction, i.e. a financial derivative product that trades future exchange rates.
(4) Currency option transaction, i.e. a financial derivative product that trades rights to buy or sell currencies.
(5) Currency futures option transaction, i.e. a financial derivative product that trades rights to buy or sell currency futures products.

(6) Currency swap transaction, i.e. a financial derivative product that swaps receipt or payment of principal and/or interest between different currencies.

The term 'interest rate derivative product' shall include the following products:
(1) Interest rate futures transaction, i.e. a financial derivative product that trades future interest rates.
(2) Interest rate futures option transaction, i.e. a financial derivative product that trades rights to buy or sell interest rate futures products.
(3) Bond futures transaction, i.e. a financial derivative product that trades future bond prices.
(4) Bond option transaction, i.e. a financial derivative product that trades rights to buy or sell bonds.
(5) Bond futures option transaction, i.e. a financial derivative product that trades rights to buy or sell bond futures products.
(6) Interest rate swap transaction, i.e. a financial derivative product that swaps receipt or payment between different interest rates such as a fixed interest rate and a floating interest rate.
(7) Swaption transaction, i.e. a financial derivative product that trades rights to exercise swap transactions.
(8) Interest rate forward transaction, i.e. a financial derivative product that fixes future interest rates.
(10) Cap transaction, i.e. a financial derivative product that guarantees upper limits of interest rates.
(11) Floor transaction, i.e. a financial derivative product that guarantees lower limits of interest rates.
(12) Collar transaction, i.e. a financial derivative product that guarantees both upper and lower limits of interest rates.

The term 'equity derivative product' shall include the following products:
(1) Equity index futures transaction, i.e. a financial derivative product that trades future equity indices.
(2) Equity index option transaction, i.e. a financial derivative product that trades rights to buy or sell equity indices.
(3) Individual equity option transaction, i.e. a financial derivative product that trades rights to buy or sell individual equities.

The term 'other hybrid derivative product' shall include the following products:

(1) Equity swap transaction, i.e. a financial derivative product that swaps between equity indices and interest rates, or between different equity indices.

(2) Credit swap transaction, i.e. a financial derivative product that swaps between credit risks.

INDUSTRIAL APPLICABILITY

As described above, the financial transaction system in accordance with the present invention creates virtual markets of financial instruments via communications lines and makes it possible to match buying demands and selling demands of end customers. Also, the financial transaction system in accordance with the present invention can, by separating and allocating the functions of banks and/or securities companies as intermediaries in financial transactions to web sites, various agencies, various evaluators and/or various data providers, eliminate conflicts of interests between such intermediaries and end customers, and make various financial transactions more efficient and/or optimal. Furthermore, the financial transaction system in accordance with the present invention can offer opportunities for full-scale participation in such financial transactions as lending, loan asset trading, financial derivative transactions and/or the like that have been unfamiliar to end customers.

Claims

1. A financial transaction system, characterized in that virtual markets of financial instruments are created via communications lines on computer networks; financial transaction intermediations by banks, securities companies and/or the like are eliminated; and end customers such as end fund managers, end fund raisers, and/or end fund transactors can effect the transactions directly with one another on a matching basis.

2. A financial transaction system, characterized in that said financial instruments can be transacted domestically and/or abroad 24 hours a day beyond the confines of national borders and/or session hours.

3. A financial transaction system, characterized in that the settlement and/or administration functions after formation of a transaction, such as contract confirmation, preparation or assignment of a contract, settlement or delivery, custody of securities, provision of tools for risk management or profit and loss management, inspection of legal compliance, preservation and recovery of credits, and/or the like, are concentrated.

4. A financial transaction system, characterized in that fund management agencies not having a conflict of interests with said end fund managers are provided as advisors, and when the fund management agencies are entrusted with transactions by the end fund managers, they perform fund management on behalf of the end fund managers.

5. A financial transaction system, characterized in that fund raising agencies not having a conflict of interests with said end fund raisers are provided as advisors, and when the fund raising agencies are entrusted with transactions by the end fund raisers, they perform fund raising on behalf of the end fund raisers.

6. A financial transaction system, characterized in that secondary offering agencies not having a conflict of interests with selling holders are provided as advisors, and when the secondary offering agencies are entrusted with transactions by the selling holders, they perform secondary offerings on behalf of the selling holders.

7. A financial transaction system, characterized in that fund transaction agencies not having a conflict of interests with said end fund transactors are provided as advisors, and when the fund transaction agencies are entrusted with transactions by the end fund transactors, they perform fund transactions on behalf of the end fund transactors.

8. A financial transaction system, characterized in that information providing functions of said banks, said securities companies and/or the like are instead performed by providers of fund management reference data, providers of fund raising proposal data and/or providers of fund transaction proposal data respectively, who do not have a conflict of interests with end fund managers, end fund raisers and/or end fund transactors.

9. A financial transaction system, characterized in that fund management evaluators are provided for said end fund managers for the purposes of selection or evaluation of fund management agencies, evaluation of fund management, and/or the like.

10. A financial transaction system, characterized in that fund raising evaluators are provided for said end fund raisers for the purposes of selection or evaluation of fund raising agencies, evaluation of fund raising, and/or the like.

11. A financial transaction system, characterized in that fund transaction evaluators are provided for said end fund transactors for the purposes of selection or evaluation of fund transaction agencies, evaluation of fund transactions, and/or the like.

12. A financial transaction system, characterized in that after said end fund managers have indicated the terms and conditions of their fund

management to the markets, said end fund raisers can perform fund raising targeting the fund management.

13. A financial transaction system, characterized in that loans that have hitherto lacked market transparency due primarily to their being over-the-counter transactions, and/or trading of loan assets that are securitized instruments thereof can be executed by means of matching mechanisms.

14. A financial transaction system, characterized in that transactions of foreign exchange products and/or financial derivative products that have been hitherto little exploited by individuals, can be executed by means of the provision of said fund transaction agencies and/or said fund transaction evaluators, and/or by means of matching mechanisms.

15. A financial transaction system, characterized in that liquidity for transactions of said financial derivative products can be provided by a site operator and/or the like performing, as appropriate, a process of bundling standardized products to create a tailor-made product and/or a process of unbundling a tailor-made product to restore the standardized products.

16. A financial transaction system, characterized in that a plurality of said end fund managers and/or a plurality of said fund management agencies can perform simultaneous collective fund management.

17. A financial transaction system, characterized in that a plurality of said end fund raisers and/or a plurality of said fund raising agencies can perform simultaneous collective fund raising.

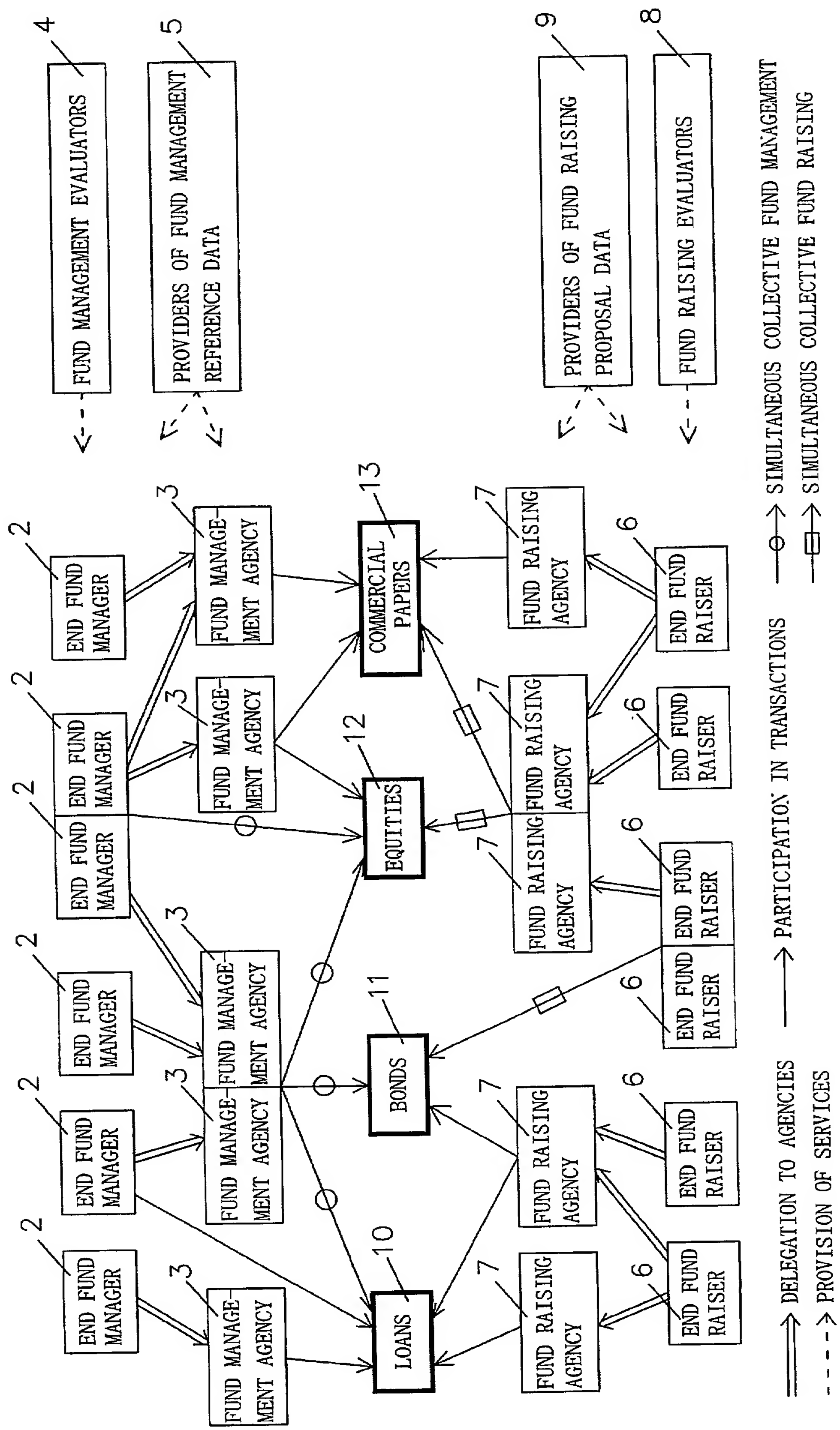
18. A financial transaction system, characterized in that a plurality of said selling holders and/or a plurality of said secondary offering agencies can perform simultaneous collective secondary offerings of a plurality of issues.

19. A financial transaction system, characterized in that a plurality of said end fund transactors and/or a plurality of said fund transaction agencies can perform simultaneous collective fund transactions in said foreign exchange products, said financial derivative products and/or the like.

Abstract

The present invention is a financial transaction system in which virtual markets of financial instruments are created via communications lines on computer networks; financial transaction intermediations by banks, securities companies and/or the like are eliminated; and end customers such as end fund managers, end fund raisers, and/or end fund transactors can effect the transactions directly with one another on a matching basis.

FIG.1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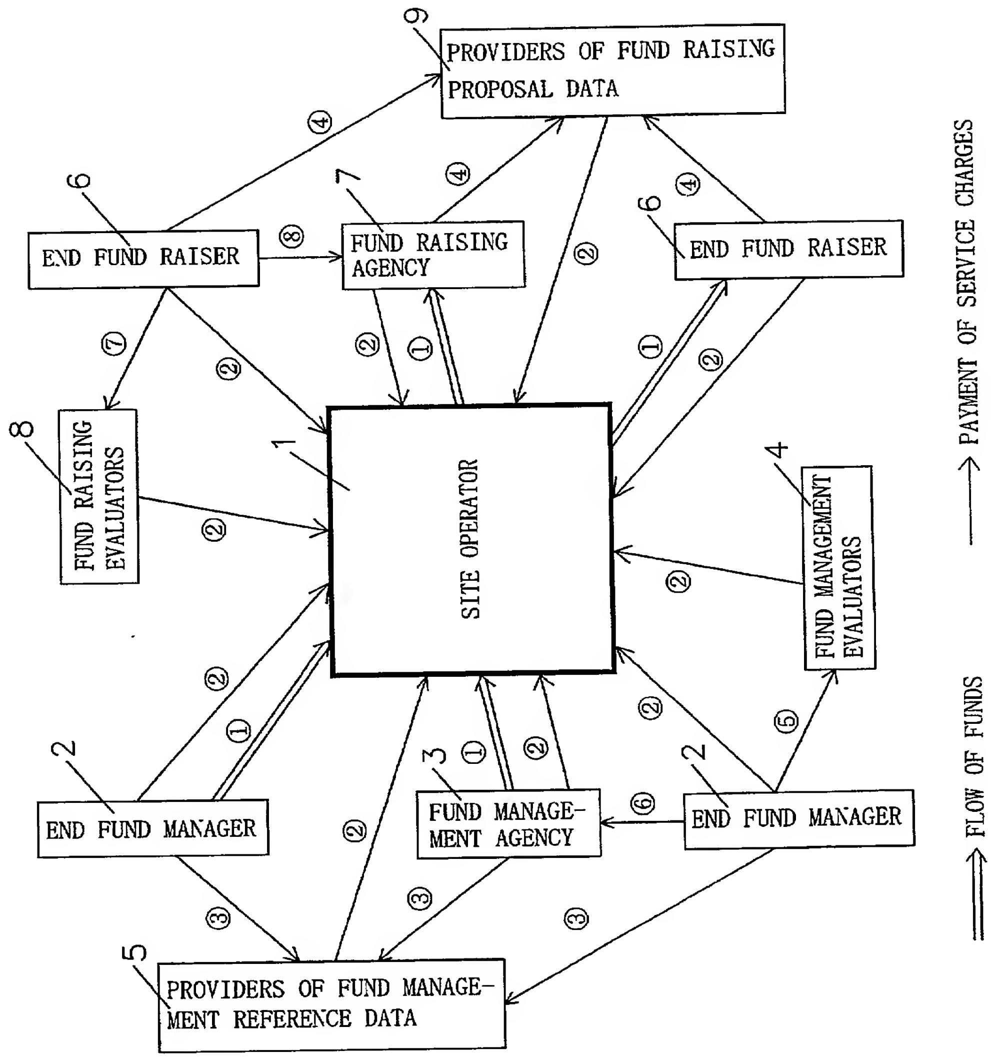
PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
PROVIDERS OF FUND RAISING PROPOSAL DATA
FUND RAISING EVALUATORS
END FUND MANAGER
FUND MANAGEMENT AGENCY
COMMERCIAL PAPERS
EQUITIES
BONDS
LOANS
FUND RAISING AGENCY
END FUND RAISER
2
3
4
5
6
7
8
9
10
11
12
13
DELEGATION TO AGENCIES
PROVISION OF SERVICES
PARTICIPATION IN TRANSACTIONS
SIMULTANEOUS COLLECTIVE FUND MANAGEMENT
SIMULTANEOUS COLLECTIVE FUND RAISING

FIG.2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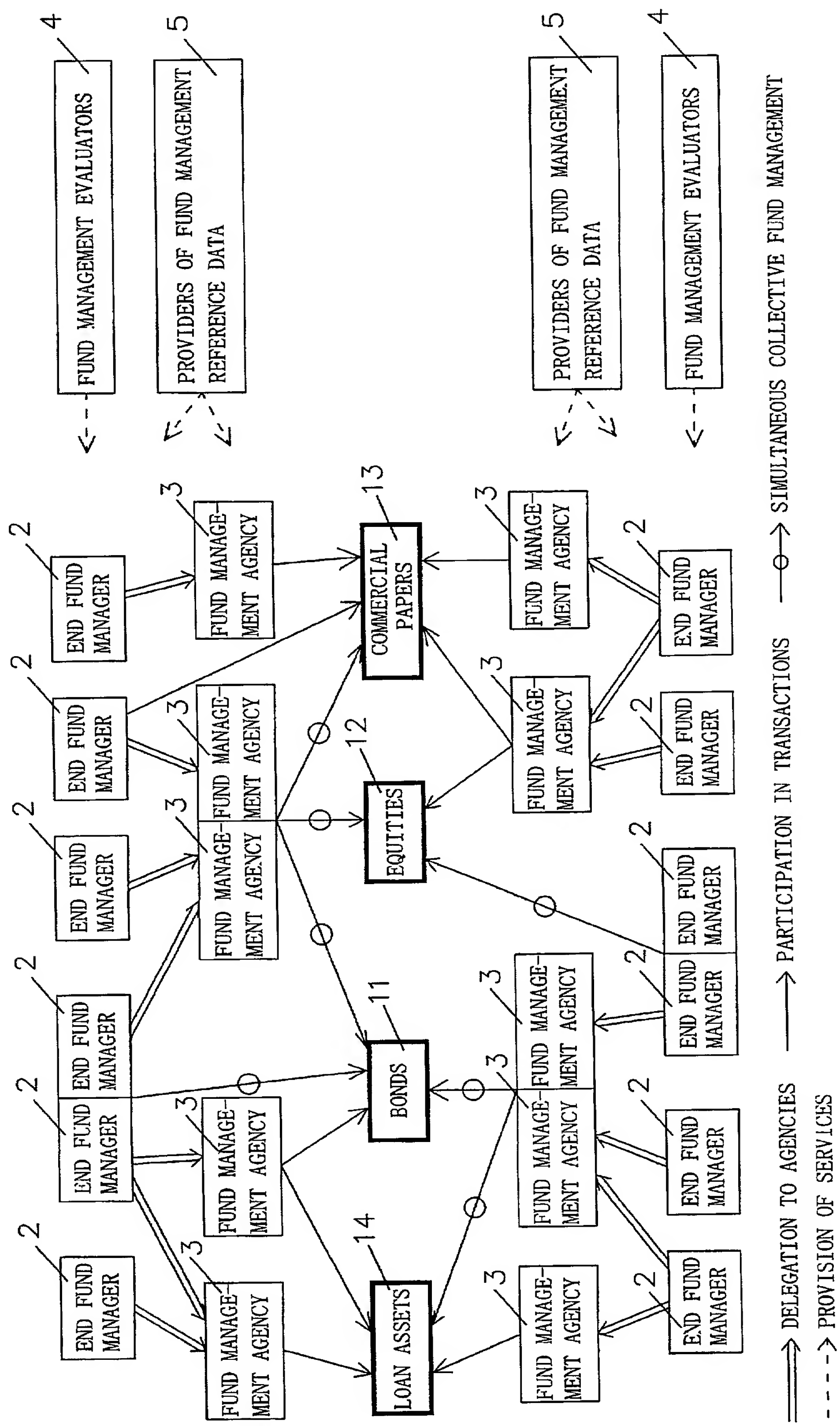
END FUND RAISER
FUND RAISING EVALUATORS
SITE OPERATOR
FUND MANAGEMENT EVALUATORS
END FUND MANAGER
FUND MANAGEMENT AGENCY
END FUND MANAGER
PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
→ PAYMENT OF SERVICE CHARGES
⇒ FLOW OF FUNDS

FIG.3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END FUND MANAGER
FUND MANAGEMENT AGENCY
COMMERCIAL PAPERS
EQUITIES
BONDS
LOAN ASSETS
DELEGATION TO AGENCIES
PROVISION OF SERVICES
PARTICIPATION IN TRANSACTIONS
SIMULTANEOUS COLLECTIVE FUND MANAGEMENT
2
3
4
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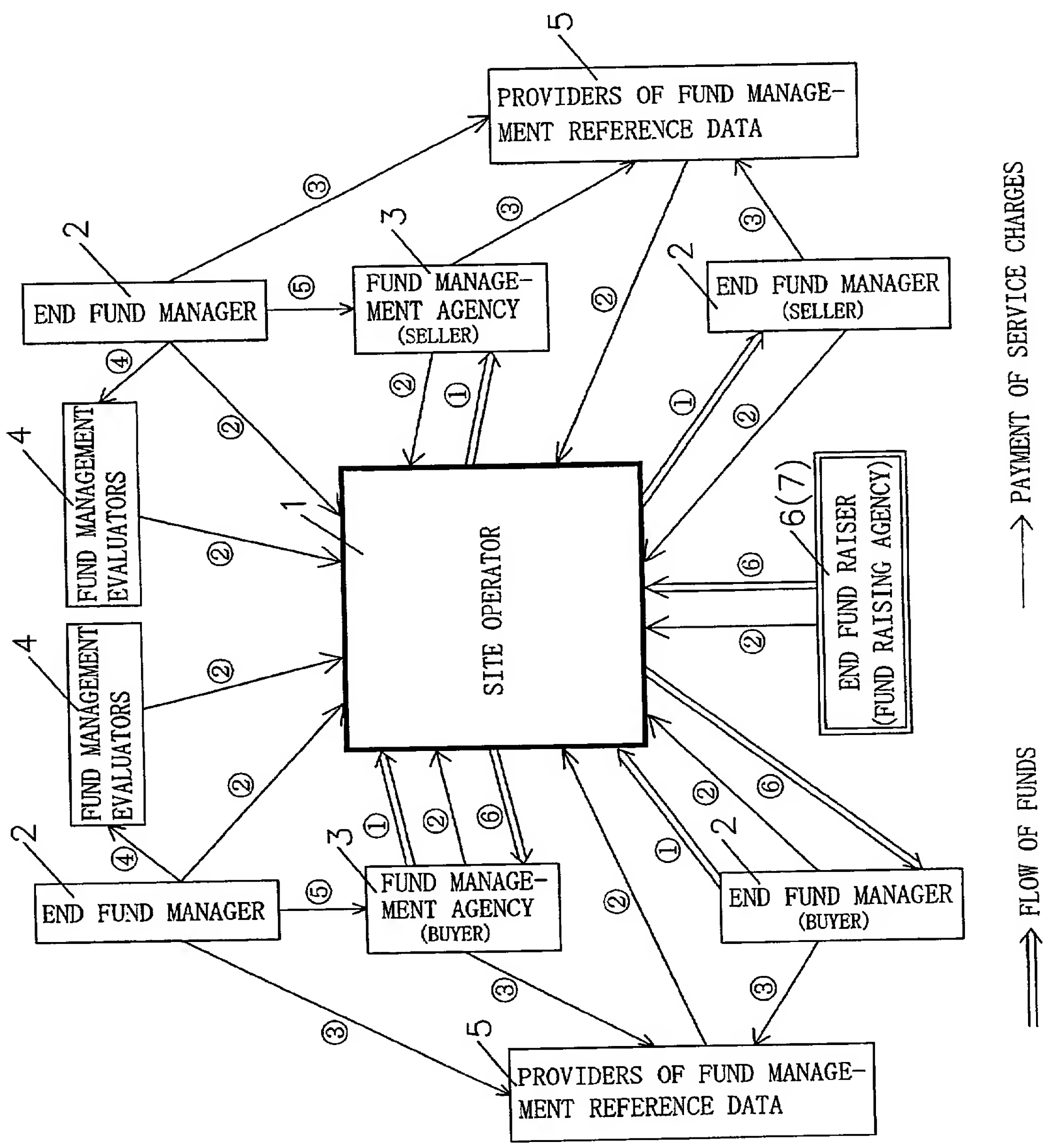
13
14

FIG.4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PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
2
END FUND MANAGER
3
FUND MANAGEMENT AGENCY (SELLER)
2
END FUND MANAGER (SELLER)
4
FUND MANAGEMENT EVALUATORS
4
FUND MANAGEMENT EVALUATORS
1
SITE OPERATOR
6(7)
END FUND RAISER (FUND RAISING AGENCY)
2
END FUND MANAGER
3
FUND MANAGEMENT AGENCY (BUYER)
2
END FUND MANAGER (BUYER)
5
PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
① ② ③ ④ ⑤ ⑥
PAYMENT OF SERVICE CHARGES
FLOW OF FUNDS

FIG.5

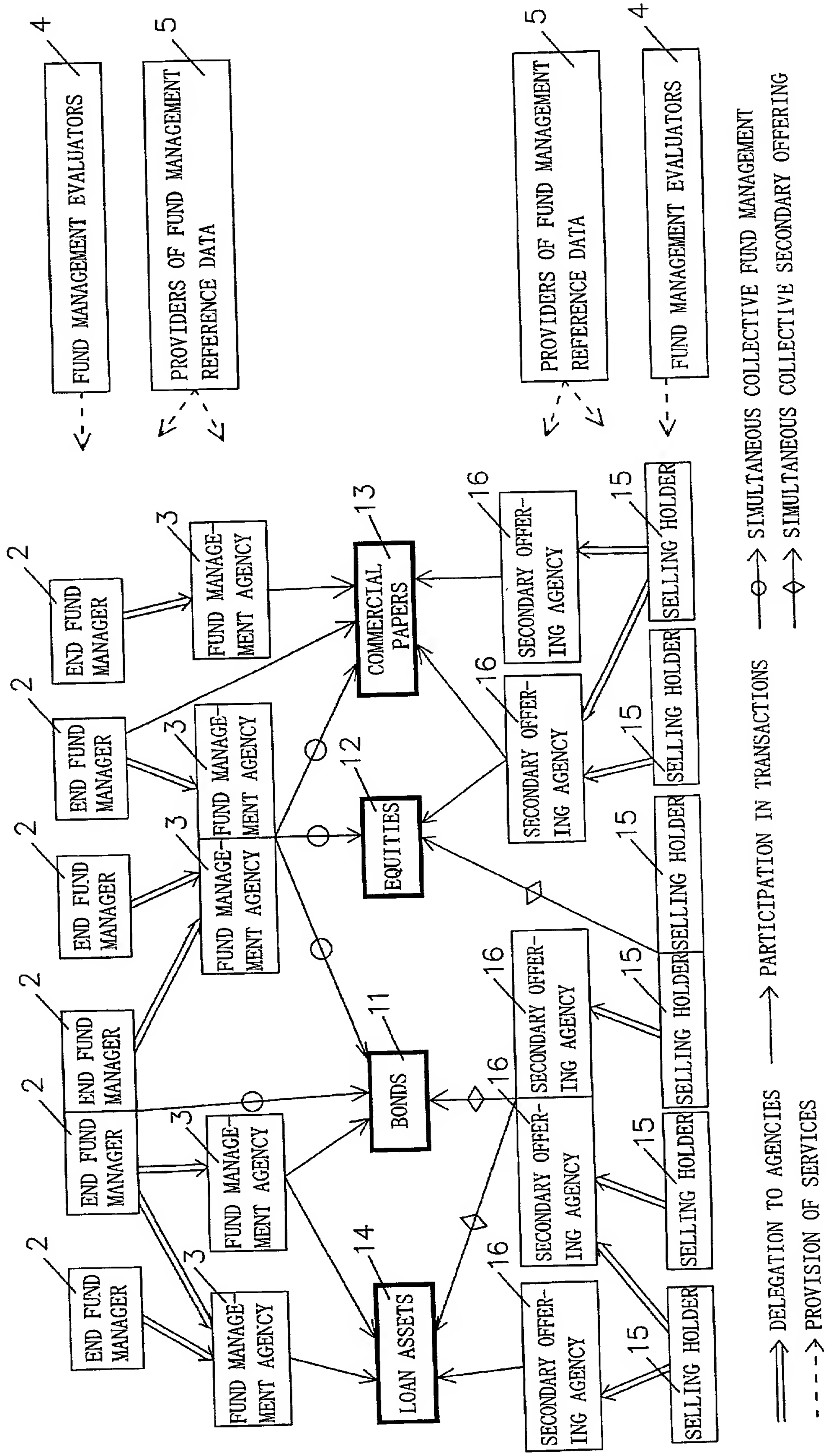
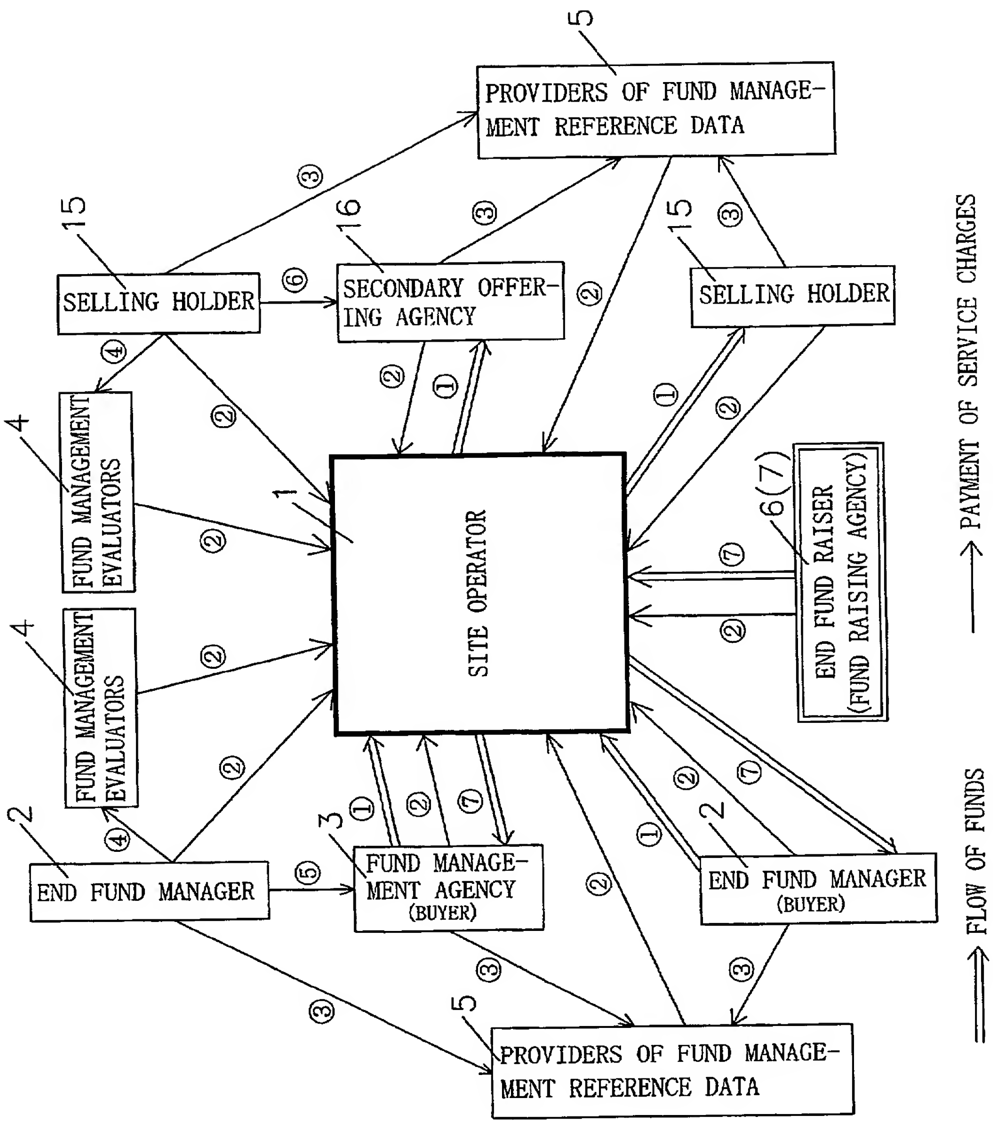

FUND MANAGEMENT EVALUATORS
PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
END FUND MANAGER
FUND MANAGEMENT AGENCY
COMMERCIAL PAPERS
EQUITIES
BONDS
LOAN ASSETS
SECONDARY OFFERING AGENCY
SELLING HOLDER
2
3
4
5
11
12
13
14
15
16
DELEGATION TO AGENCIES
PROVISION OF SERVICES
PARTICIPATION IN TRANSACTIONS
SIMULTANEOUS COLLECTIVE FUND MANAGEMENT
SIMULTANEOUS COLLECTIVE SECONDARY OFFERING

FIG.6



PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
SELLING HOLDER
SECONDARY OFFERING AGENCY
SELLING HOLDER
FUND MANAGEMENT EVALUATORS
FUND MANAGEMENT EVALUATORS
SITE OPERATOR
END FUND RAISER (FUND RAISING AGENCY)
END FUND MANAGER
FUND MANAGEMENT AGENCY (BUYER)
END FUND MANAGER (BUYER)
PROVIDERS OF FUND MANAGEMENT REFERENCE DATA
1
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3
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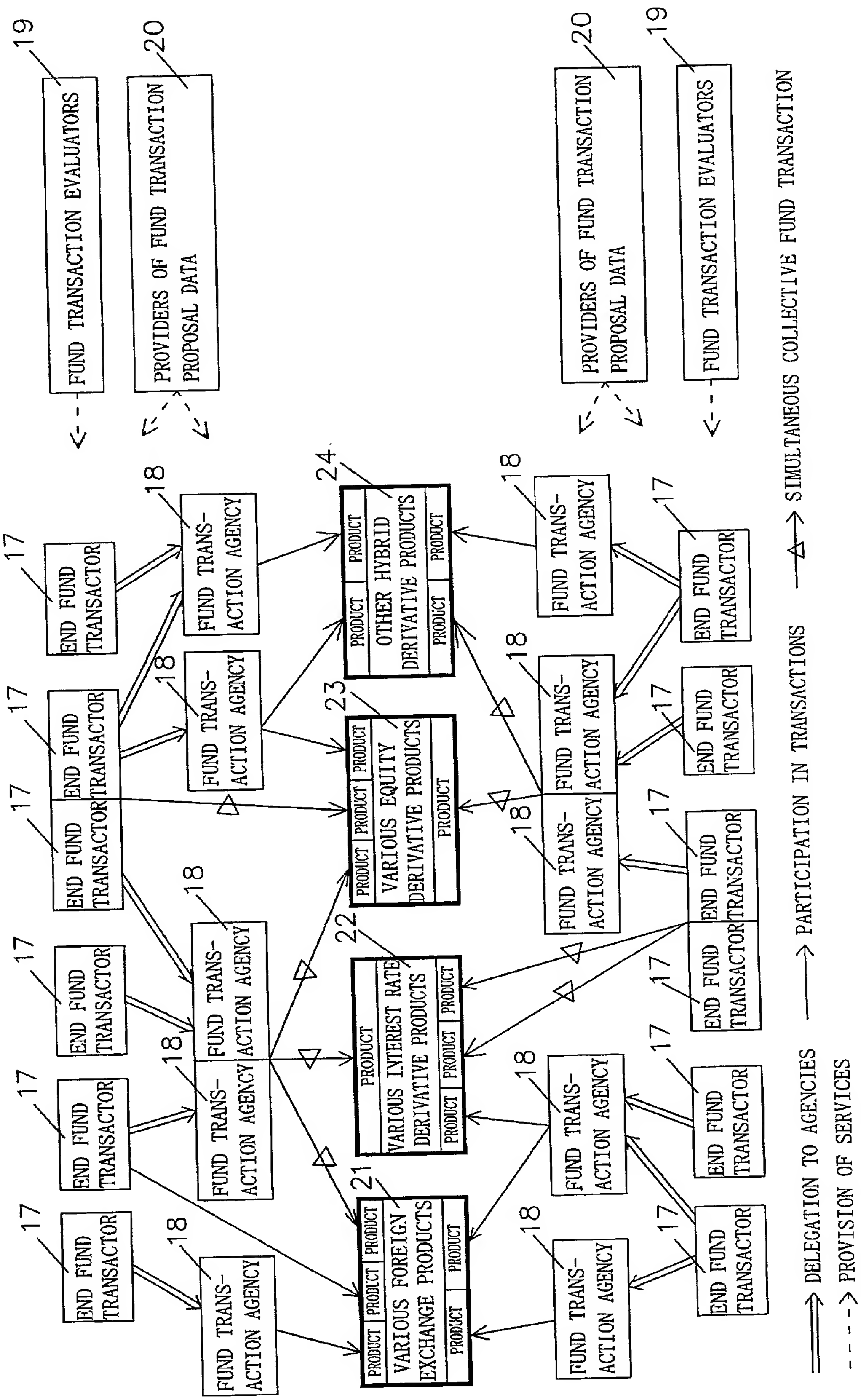
6(7)
15
16
① ② ③ ④ ⑤ ⑥ ⑦
→ PAYMENT OF SERVICE CHARGES
⟹ FLOW OF FUNDS

FIG.7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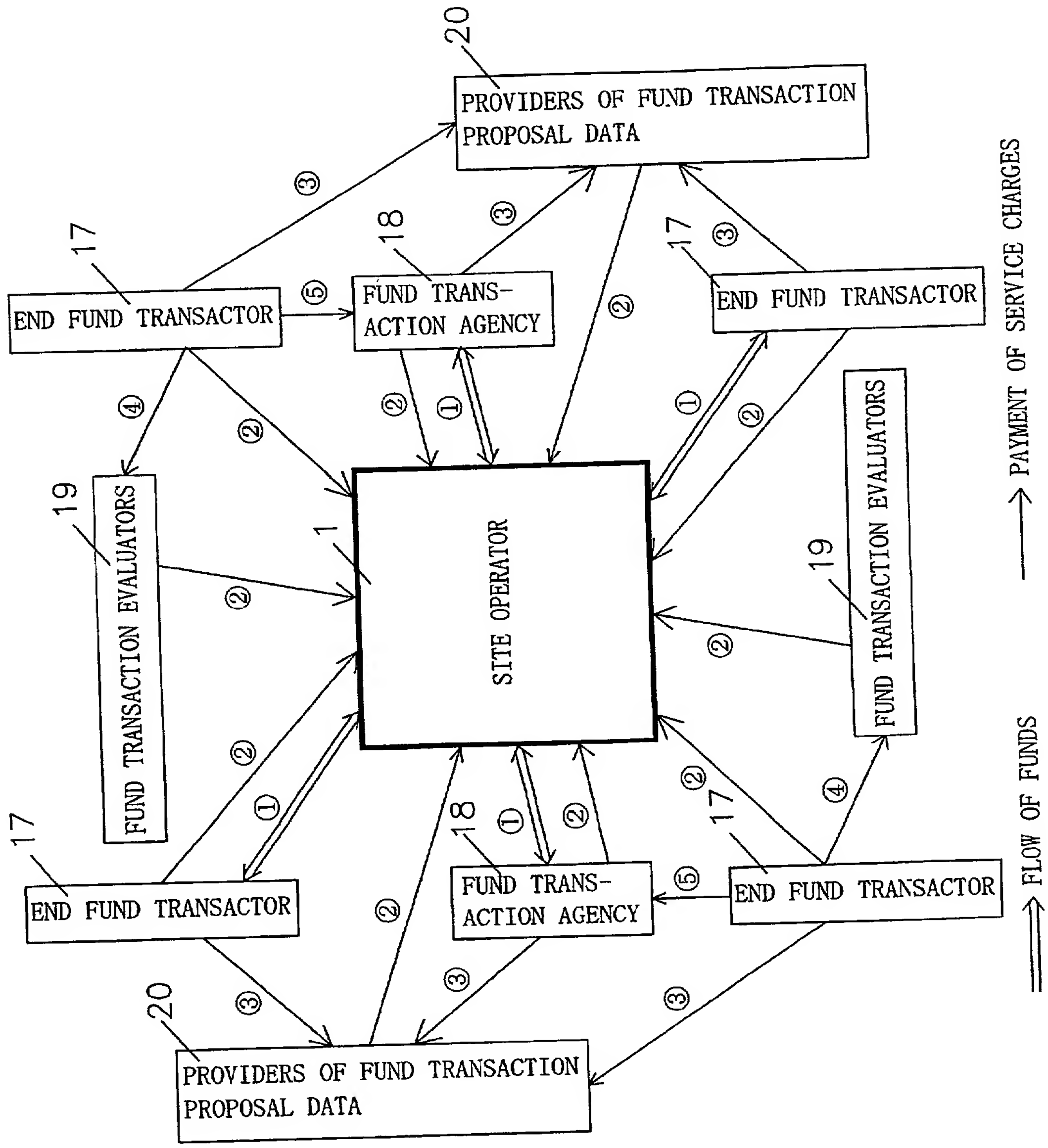
PROVIDERS OF FUND TRANSACTION PROPOSAL DATA
END FUND TRANSACTOR
FUND TRANS-ACTION AGENCY
OTHER HYBRID DERIVATIVE PRODUCTS
VARIOUS EQUITY DERIVATIVE PRODUCTS
VARIOUS INTEREST RATE DERIVATIVE PRODUCTS
VARIOUS FOREIGN EXCHANGE PRODUCTS
PRODUCT
17
18
19
20
21
22
23
24
DELEGATION TO AGENCIES
PROVISION OF SERVICES
PARTICIPATION IN TRANSACTIONS
SIMULTANEOUS COLLECTIVE FUND TRANSACTION

FIG.8



20
PROVIDERS OF FUND TRANSACTION PROPOSAL DATA
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END FUND TRANSACTOR
18
FUND TRANS-ACTION AGENCY
17
END FUND TRANSACTOR
19
FUND TRANSACTION EVALUATORS
1
SITE OPERATOR
19
FUND TRANSACTION EVALUATORS
17
END FUND TRANSACTOR
18
FUND TRANS-ACTION AGENCY
17
END FUND TRANSACTOR
20
PROVIDERS OF FUND TRANSACTION PROPOSAL DATA
①
②
③
④
⑤
PAYMENT OF SERVICE CHARGES
FLOW OF FUNDS

Docket No.

COMBINED DECLARATION AND POWER OF ATTORNEY FOR
ORIGINAL, DESIGN, NATIONAL STAGE OF PCT, SUPPLEMENTAL,
DIVISIONAL, CONTINUATION OR CONTINUATION-IN-PART APPLICATION

As a below named inventor, I hereby declare that:

My residence, post office address and citizenship are as stated below next to my name,

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

FINANCIAL TRANSACTION SYSTEM

the specification of which

a. ☐ is attached hereto

b. ☐ was filed on _____ as application Serial No. _____ and was amended on _____. (if applicable).

PCT FILED APPLICATION ENTERING NATIONAL STAGE

c. ☒ was described and claimed in International Application No. PCT/JP00/05405 filed on July 24, 2000 and as amended on _____. (if any).

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose information which is material to patentability as defined in 37 C.F.R. § 1.56.

I hereby specify the following as the correspondence address to which all communications about this application are to be directed:

SEND CORRESPONDENCE TO:

Edward A. Pennington
SWIDLER BERLIN SHEREFF FRIEDMAN, L.L.P.
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116

DIRECT TELEPHONE CALLS TO: Edward A. Pennington, 202-424-7500

☒ I hereby claim foreign priority benefits under Title 35, United States Code § 119 (a)-(d) or under § 365(b) of any foreign application(s) for patent or inventor's certificate or under § 365(a) of any PCT international application(s) designating at least one country other than the U.S. listed below and also have identified below such foreign application(s) for patent or inventor's certificate or such PCT international application(s) filed by me on the same subject matter having a filing date within twelve (12) months before that of the application on which priority is claimed:

9278_1

☐ The attached 35 U.S.C. § 119 claim for priority for the application(s) listed below forms a part of this declaration.

Country/PCT	Application Number	Date of filing (day, month, yr)	Date of issue (day, month, yr)	Priority Claimed
Japan	2000-222421	24/07/00		☒ Y ☐ N
				☐ Y ☐ N
				☐ Y ☐ N

☐ I hereby claim the benefit under 35 U.S.C. § 119(e) of any U.S. provisional application(s) listed below.

Provisional Application No.	Date of filing (day, month, yr)

ADDITIONAL STATEMENTS FOR DIVISIONAL, CONTINUATION OR CONTINUATION-IN-PART OR PCT INTERNATIONAL APPLICATION(S DESIGNATING THE U.S.)

I hereby claim the benefit under Title 35, United States Code § 120 of any United States application(s) or under § 365(c) of any PCT international application(s) designating the U.S. listed below.

US/PCT Application Serial No.	Filing Date,	Status (patented, pending, abandoned)/ U.S. application no. assigned (For PCT)
US/PCT Application Serial No.	Filing Date,	Status (patented, pending, abandoned)/ U.S. application no. assigned (For PCT)

☐ In this continuation-in-part application, insofar as the subject matter of any of the claims of this application is not disclosed in the above listed prior United States or PCT international application(s) in the manner provided by the first paragraph of Title 35, United States Code, § 112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, § 1.56(a) which occurred between the filing date of the prior application(s) and the national or PCT international filing date of this application.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or Imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

I hereby appoint the following attorneys and/or agents with full power of substitution and revocation, to prosecute this application, to receive the patent, and to transact all business in the Patent and Trademark Office connected therewith: Edward A. Pennington (Reg. No. 32,588) and John P. Moran (Reg. No. 30,906) of Swidler Berlin Shereff Friedman having an address of 3000 K Street, N.W., Suite 300, Washington, D.C. 20007-5116.

2.

☐ I hereby authorize the U.S. attorneys and/or agents named hereinabove to accept and follow instructions from _____ as to any action to be taken in the U.S. Patent and Trademark Office regarding this application without direct communication between the U.S. attorneys and/or agents and me. In the event of a change in the person(s) from whom instructions may be taken I will so notify the U.S. attorneys and/or agents named hereinabove.

1 - 00

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Inventor's signature* M. Nishimaki Date* March 12, 2002

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Citizenship: Japan

Post Office Address: Same as Residence

Full name of second inventor

Inventor's signature* Date*

Residence:

Citizenship:

Post Office Address:

10083742.032202

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